

## QUINEX ENERGY CORPORATION

465 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 292-3800 • FAX (801) 295-5858

**April 4, 2007**

**Utah State  
Division of Oil, Gas & Mining  
West North Temple  
Salt Lake City, Utah**

**Gentlemen:**

**Please find enclosed the APD for the JANS Federal 1-25 well located in the NWNW Section 25, T 9 S, R 17 E, Uintah County, Utah. Sagebrush Archeological Consultants informed me that they mailed you the cultural evaluation on the well site and access roads.**

**Should there be any questions concerning this application please call me at Quinex Energy Corporation's office at 801-292-3800.**

**Sincerely**

**DeForrest Smouse  
President**

**RECEIVED**

**APR 09 2007**

**DIV. OF OIL, GAS & MINING**

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐  
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>				5. MINERAL LEASE NO: <b>UTU 80566</b>	6. SURFACE: <b>Federal</b>
1A. TYPE OF WORK: <b>DRILL</b> <input type="checkbox"/> <b>REENTER</b> <input type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME: <b>FEDERAL</b>	
8. TYPE OF WELL: <b>OIL</b> <input checked="" type="checkbox"/> <b>GAS</b> <input type="checkbox"/> <b>OTHER</b> _____ <b>SINGLE ZONE</b> <input type="checkbox"/> <b>MULTIPLE ZONE</b> <input checked="" type="checkbox"/>				8. UNIT or CA AGREEMENT NAME: <del>FEDERAL</del>	
2. NAME OF OPERATOR: <b>QUINEX ENERGY CORPORATION</b>				9. WELL NAME and NUMBER: <b>JANS FEDERAL 1-25</b>	
3. ADDRESS OF OPERATOR: <b>465 S. 200 W.                      BOUNTIFUL                      UT                      84010</b>			PHONE NUMBER: <b>(801) 292-3800</b>		
4. LOCATION OF WELL (FOOTAGES) <b>588644X 4428882Y 40.007363</b> AT SURFACE: <b>660' FNL, 660' FWL, SECTION 25, T.9 S., R. 17 E</b> AT PROPOSED PRODUCING ZONE: <b>SAME AS ABOVE</b> <b>-109.96144</b>				10. FIELD AND POOL, OR WILDCAT: <b>UNDESIGNATED Eight Mile North 390</b>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: <b>16 miles South, South East from Myton, Utah</b>				12. COUNTY: <b>UINTAH</b>	
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) <b>660' from north line SECTION 25</b>		16. NUMBER OF ACRES IN LEASE: <b>1800</b>		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: <b>40</b>	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) <b>1300' from JSW FEDERAL 2-26</b>		19. PROPOSED DEPTH: <b>5,600</b>		20. BOND DESCRIPTION: <b>WELLS FARGO CASH BOND</b>	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): <b>GR - 5290'</b>		22. APPROXIMATE DATE WORK WILL START: <b>7/1/2007</b>		23. ESTIMATED DURATION: <b>30 DAYS</b>	

24. PROPOSED CASING AND CEMENTING PROGRAM							
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
<b>12 1/4"</b>	<b>8 5/8"</b>	<b>J 55</b>	<b>24#</b>	<b>800</b>	<b>CLASS G</b>	<b>900 sks</b>	<b>15.5#    1.195</b>
<b>7 5/8"</b>	<b>5 1/2"</b>	<b>P110</b>	<b>15.5#</b>	<b>5,600</b>	<b>LITE</b>	<b>400 sks</b>	<b>14.2#    1.461</b>
					<b>CLASS G</b>	<b>300 sks</b>	<b>15.5#    1.195</b>

25. ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) DeForrest Smouse TITLE PRESIDENT QUINEX ENERGY

SIGNATURE *DeForrest Smouse* DATE 3/30/2007

(This space for State use only)

API NUMBER ASSIGNED: 43-047-39195

Approved by the  
Utah Division of  
Oil, Gas and Mining  
APPROVAL:

**RECEIVED**  
**APR 09 2007**

Date: 04-11-07  
(See Instructions on Reverse Side)  
By: *[Signature]*

DIV. OF OIL, GAS & MINING

*Federal Approval of this  
Action is Necessary*

T9S, R17E, S.L.B.&M.

1910 Brass Cap,  
1.1' High, Steel  
Post

S89°57'32"W - 2639.58' (Meas.)

N89°59'E - 2643.96' (G.L.O.)

1910 Brass Cap,  
1.4' High

N00°04'46"E - 2638.57' (Meas.)

660'

JANS FEDERAL #1-25

Elev. Ungraded Ground = 5253'

1910 Brass Cap,  
1.2' High, Steel  
Post

25

N00°01'W - 2640.00' (G.L.O.)

NORTH - 5280.00' (G.L.O.)

S89°57'W - 5291.88' (G.L.O.)

### BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(AUTONOMOUS NAD 83)

LATITUDE = 40°00'26.55" (40.007375)

LONGITUDE = 109°57'43.44" (109.962067)

(AUTONOMOUS NAD 27)

LATITUDE = 40°00'26.68" (40.007411)

LONGITUDE = 109°57'40.91" (109.961364)

### LEGEND:

└ = 90° SYMBOL

● = PROPOSED WELL HEAD.

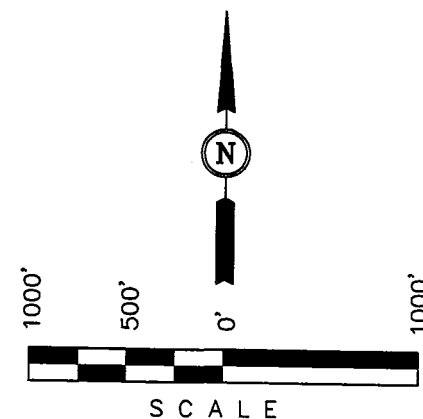
▲ = SECTION CORNERS LOCATED.

## QUINEX ENERGY CORP.

Well location, JANS FEDERAL #1-25, located as shown in the NW 1/4 NW 1/4 of Section 25, T9S, R17E, S.L.B.&M., Uintah County, Utah.

### BASIS OF ELEVATION

SPOT ELEVATION LOCATED AT THE NORTHWEST CORNER OF SECTION 23, T9S, R17E, S.L.B.&M. TAKEN FROM THE PARIETTE DRAW SW, QUADRANGLE, UTAH, 7.5 MINUTE QUAD (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5198 FEET.



### CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR  
ROBERT L. KAY  
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING  
85 SOUTH 200 EAST - VERNAL, UTAH 84078  
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 11-27-06	DATE DRAWN: 12-06-06
PARTY G.O. B.B. C.H.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE QUINEX ENERGY CORP.	

## EIGHT POINT PLAN

QUINEX ENERGY CORPORATION

JanS Federal 1-25

NW,NW, SECTION 25 T 9 S, R 17 E

UINTAH COUNTY, UTAH

### 1 & 2 ESTIMATED TOPS ANTICIPATED OIL, GAS AND WATER ZONES

<u>FORMATION</u>	<u>DEPTH</u>	<u>ZONE TYPE</u>	<u>MAX. PRESSURE</u>
Uinta Formation	Surface	Fresh Water	
Green River Formation	1,160'	Oil & Gas	1100 psi
Garden Gulch Member	3326'	Oil & Gas	1600 psi
Douglas Creek Member	4320'	Oil & Gas	1800 psi
Castle Peak Member	4920'	Oil & Gas	1600 psi
Black Shale Member	5000'	Oil & Gas	1800 psi
TD – 5,600'			

### 3. PRESSURER CONTROL EQUIPMENT

BOP Schematic Diagram attached

### 4. CASING PROGRAM:

<u>HOLE SIZE</u>	<u>INTERVAL</u>	<u>LENGTH</u>	<u>SIZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>THREAD</u>	<u>COLLAPSE</u>	<u>BURST</u>	<u>CEMENT</u>
12 1/4"	0-800'	800'	8 5/8"	24#	J 55	P & C	2890 #	4410 #	920 sks
									class G to Surface
7 5/8"	800-5600'	4800'	5 1/2"	15.5#	P 110	P & C	7460#	7460#	400 sks
									lite & 300 sks Class G

### 5. MUD PROGRAM:

<u>INTERVAL</u>	<u>MUD TYPE</u>	<u>WEIGHT</u>
0-5,600'	Watergel	8.5#

Lost circulation zones are not anticipated.

Sufficient mud inventory will be maintained on location during drilling operations to handle any adverse conditions that may arise.

### 6. VARIANCE REQUESTS:

The Jan Federal 1-25 well is designated as a Green River Formation test.

### 7. EVALUATION PROGRAM

LOGS: SCHLUMBERGER WIRELINE

DIL-SFL Surface casing to 5,600'

CNL-FDC Surface casing to 5,600'

Additional logs as needed to evaluate formation from 3,800' – TD

Cores           None

DST's           None

8. **ABNORMAL CONDITIONS**


None anticipated

9. **STANDARD REQUIRED EQUIPMENT**

A.     **Choke Manifold**

No chemicals subject to reporting under SARA III in an amount to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold quantities, will be used, produced, stored, transported or disposed of in association with the drilling of this well.

(Attachment: BOP Diagram)

  
\_\_\_\_\_  
DeForrest Smouse PhD  
President - Quinex Energy

**THIRTEEN POINT PLAN**  
**JAN S. Federal 1-25**

**GENERAL** Requirements for working on BLM lands.

1. Cultural resources are not expected to be disrupted, see attached report from Sagebrush Consultants, L.L.C.

2. The area is grassland with minor sagebrush and other desert vegetations.

1. **EXISTING ROADS** - See Location Map.

A. Wellsite 660' FNL, 660' FWL, ( NW ¼ NW ¼ ) Section 25, T9S, R17E.

B. Travel 1 ½ mile east of Myton, Utah and south (left) on Pleasant Valley paved and graded road 11.2 miles to the old Castle Peak mine-site then east-southeast on graded road, 3.6 miles; then 3.6 miles to abandoned Snyder Springs Ranch site. Turn right, south on graded road 2.3 miles to wellsite on west side of road 130'.

C. Roads: The route is over paved US 40 to turnout about 1.5 miles west of Myton. The road to Castle Springs is paved. All other roads are graded, many with fair gravel topping.

D Other existing roads as marked on Topo Map.

E. Existing roads will be maintained by the county. The new road to the Jan S Fed 1-25 wellsite will be built to meet BLM specifications, and be Maintained as required, for all weather use, by the operator. (See Engineer Survey Plat). The access road is approximately 130' from maintained road.

2. **General:**

(1) The Vernal BLM District will be notified 48 hours prior to commencing work on BLM lands.

(2) The dirt contractor will be furnished a copy of this Surface Use Plan, along with any additional BLM stipulations, prior to the work.

(3) Trees: There are no trees on access road to, or on location.

(4) All artifacts found on federal land shall be left in place and the BLM promptly notified. Archeological survey indicated none found.

(5) The topsoil removed for reserve pits will be stockpiled on west corner of the location, see survey plat.

**(6) The reserve pit will be lined with native clay and water-proofed.**

**B. Planned Access Roads:**

**A total of 18.5 miles of county and state access roads, and 130 feet of new road to. New 130' of new road to location will be built subject to built to BLM specifications (from 6, p.26) Surface Operating Standards for Oil and Gas Development" as follows:**

- (1) Width: 170' at crown:  
Total disturbed width 270'.**
- (2) Maximum grades: 1.5% maximum.**
- (3) Turnouts: See Survey Map.**
- (4) Drainage: Borrow Pit on north side.**
- (5) Culverts:  
a. 18" galvanized steel if needed ( none needed).**
- (6) Surface Material: The new road will be covered with 6 inches of Road-base and 2 inches of 1 ½ gravel topping as required for traction and erosion control.**
- (7) Gates/ Cattle Guards: No fences will be crossed from country road to location of the Jan S Fed 1-25. The location is in unfenced land with minor sagebrush & native grasses.**

**3. Location of Existing Wells: See Topographic Map.**

**Wells within one mile radius:**

- (1) Water wells: None**
- (2) Abandoned Oil Wells: None**
- (3) Temporarily Abandoned wells: None**
- (4) Disposal Wells: None**
- (5) Drilling Wells: Producing Wells: none**
- Section 23, T 9 S, R 17 E –all Green River Production**
- (6) Shut in wells: None**
- (7) Injection Wells: None**
- (8) Monitoring Wells: None**

**4. Location of Existing, and/or Proposed Facilities: - See wellsite Plat.**

**A: Within 1-mile radius of location, existing facilities owned and**

operated by lessee/operator.

- (1) Tank Batteries: None
- (2) Same as above. None
- (3) Oil Gathering Lines: None.
- (4) Gas Gathering Lines:
- (5) Injection Lines: None
- (6) Disposal Lines: None

**B: New Facilities Contemplated:**

- (1) Oil Well Pad: A gas line tie-in to Newfield Oil & Gas Gathering and Electric tie-in to Moon Lake Electric may be needed and will be executed with Moon Lake prior to needs. Survey & Archeology completed.
- (2) Well Pad Dimensions Refer to Rig Layout Plat.
- (3) Construction Methods: Tanks are to be welded. Battery grade will be less than 3' above well pad grade. All equipment will be painted medium sand brown.
- (4) Protective Measures: There will be no open permanent vessels.
- (5) No storage of fluids in open pits. Storage tanks will be diked to provide emergency containment of a potential tank failure

**C. Location and Type of Water Storage.**

- 1. Approximately ten acre-feet of water will be required to drill and complete the well. Water is to hauled from the Babcock Draw by Tu and Frum Trucking, Inc. – Dave Murray. Proper water rights: See attached Temporary Application – Water Right # 43-1721, will be obtained from a State Engineer prior to spudding.
- 2. Transportation: Water will be trucked by Tu and Frum Inc. Oil will Be trucked to refineries by MC Oil, West Bountiful Utah.
- 3. Water Well: None proposed.

**6. Source of Construction Materials:**



- A. Source: Materials from cuts will be used in fills. No additional requirements are anticipated.**
- B. Ownership: The access road and location are on BLM land.**
- C. Outside Materials: Road base will be obtained from commercial gravel pits in the Roosevelt, Utah area.**
- D. Access: Only the road to the location from the graded road will be required, (See plat above).**

**7. Methods of Handling Waste Disposal**

**Disposal will be handled as follows:**

- (1) Cuttings: Drill cuttings are to be buried in the reserve pit.**
- (2) Drilling Fluids: Drilling fluids are to be removed to a commercial disposal pit within 90 days from completion.**
- (3) Produced fluids: Produced oil will be sold to an authorized oil buyer. Produced water will be hauled to an authorized disposal site.**
- (4) Sewage: Chemical toilets will be provided for the drilling crew.**
- (4) Trash and garbage: Trash will be accumulated in a wire mesh receptacle and hauled to a sanitary road fill.**
- (5) Post Drilling Cleanup: After drilling operations cease, the access road and location will be cleaned up and graded. The reserve pit will be covered and reseeded to BLM specifications within 90 days.**

**8. Ancillary Facilities**

**No camp facilities are planned or required.**

**9: Wellsite Layout: see attached Wellsite Plat.**

- (1) Cross Sections: Provided with Plat.**
- (2) Equipment Layout: Provided with Plat.**
- (3) Rig Orientation: Provided with Plat.**
- (4) Pits: All pits are to be sealed.**

## **10: Plans for restoration of Surface.**

Upon completion of drilling operations, the location is to be restored as follows:

- (1) Initial Cleanup:** Location and surrounding area are to be cleaned of all debris resulting from the drilling operations. All trash is to be hauled to a local sanitary landfill.
- (2) Vernal BLM** will be notified 48 hours prior to any surface restoration requiring earth moving equipment, upon completion of the work.
- (3) Topography:** Within 90 days of completion (weather permitting) the well, the reserve pit is to be dried, filled and re-contoured to original shape. All spoil material is to be buried a minimum of five (5) feet depth. All trash will be removed prior to burial. All disturbed areas, not required for continued operations, are to be re-contoured to original shape.
- (4) Stockpiled topsoil** will be evenly distributed back over reclaimed areas.
- (5) Re-vegetation:** Reclaimed areas will be scarified and seeded by broadcasting or drilling, per BLM recommendations.
- (6) Unused areas** will be blocked from vehicular access.
- (7) Any oil on pits** will be removed to a commercial disposal when rig is released.
- (8) Timetable:** Reserve pit will be reclaimed within 90 days of completion date. Other areas will be reclaimed within 6 months of discontinued use.

## **11. Other Information**

### **A. Ownership and Right-of-ways:**

Both the surface and minerals are owned by the Federal Government. Right-of-ways for road, location, gas gathering lines, and power lines will be requested from the BLM.

### **B. General Description of Area.**

- (1) Topography:** Low angle slopes, semi-arid with sagebrush and desert vegetation. No irrigation.
- (2) Surface Use Activity:** The area is used for cattle grazing.

- (3) **Water, Dwellings, Archeology:** Water will be trucked to location on existing roads. There are no dwellings within ½ mile. No archeological sited on wellsite or access road. An archeological survey is completed and submitted with APD.

12. **Production Operations**

- A. **Notification:** A first production report will be sent to the BLM within 5 days of first production to establish site security and APD compliance.
- B. **Site Security:** Site security plan will be submitted within thirty (30) days of completion.
- C. **Water Production:** NTL-2B will be submitted within sixty (60) of completion. It is anticipated that the water produced will be hauled to a pit located in LaPoint, Utah, Section 8, T 1 S, R 1 E.
- D. **Weed Control:** The road and location will be professionally sprayed annually, using EPA approved chemicals, to control noxious weeds.
- E. **The tank battery is to be built along the south side of the location. All permanent structures will be painted with an approved earth-tone color within six months of installation. OSHA required markings are expected.**

13. **lessee's or Operator's Representative**

Quinex Energy Corporation  
DeForrest Smouse  
465 South 200 West  
Bountiful, Utah 84010  
Phone: (801) 292-3800 or 292-2554

**Certification**

I hereby certify that I, or persons under my direct supervision, have Inspected the proposed drill site and access route: that I am familiar with the conditions which presently exist: that the statements made in this plan are, to the best of my knowledge, true and correct: and the work associated will be performed by Quinex Energy Corporation and its contractors in conformity with this plan and terms and conditions under which it is approved.

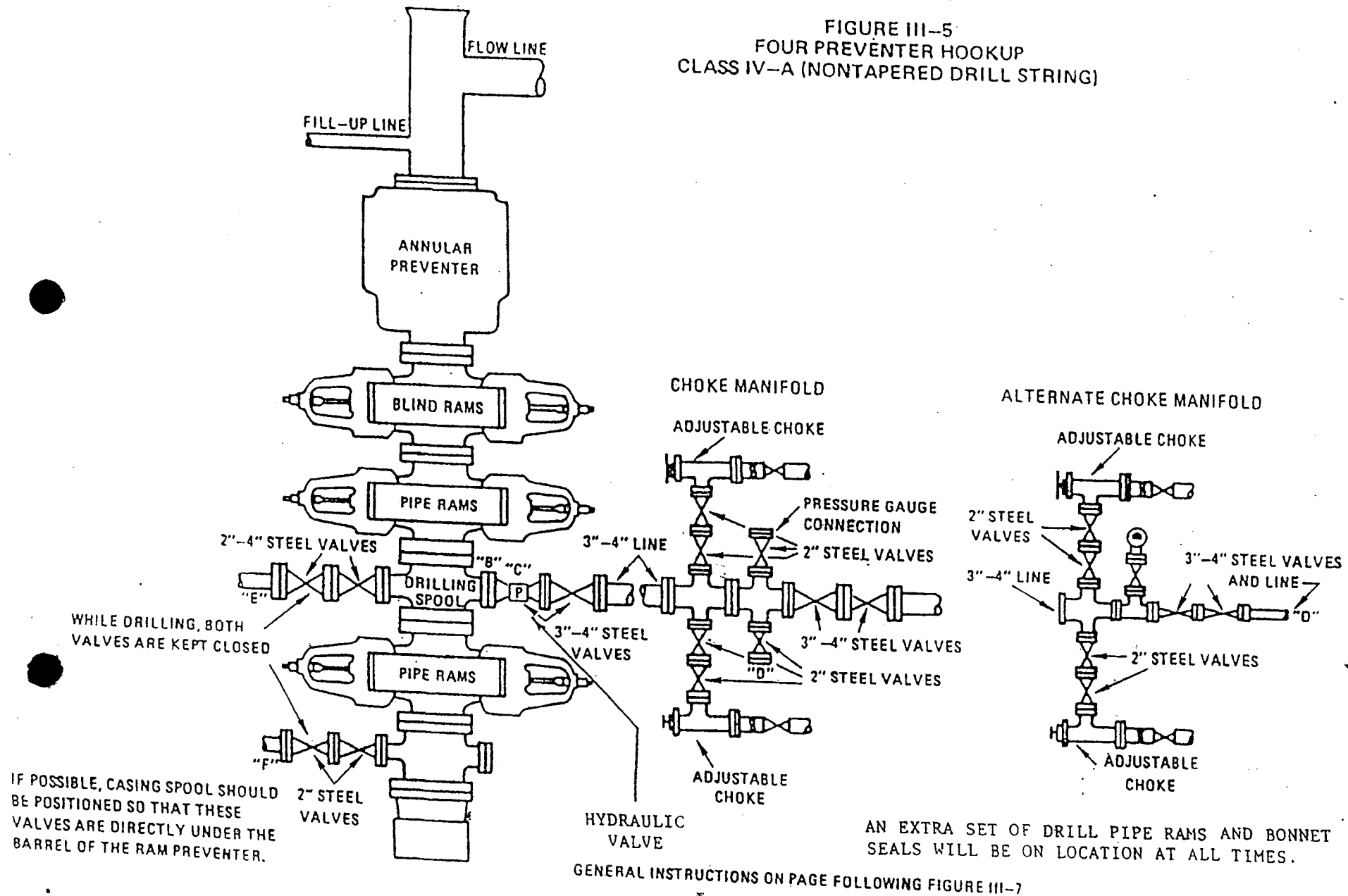
Date: 4/4/2007

DeForrest Smouse  
DeForrest Smouse  
Quinex Energy Corporation

**SELF- CERTIFICATION STATEMENT**

Please be advised that QUINEX ENERGY CORPORATION is considered to be the operator of the JAN S FED 1-25 well located in the NW ¼, NW 1/4, Section 25, Township 9 South, Range 17 East, lease UTU-80566 Uintah County, Utah; and is responsible for the operations conducted upon the leased lands. Bond coverage is a Wells Fargo Bank NA; Irrevocable Document of Credit NZS499876 in the amount of \$10,000.00.

FIGURE III-5  
FOUR PREVENTER HOOKUP  
CLASS IV-A (NONTAPERED DRILL STRING)



RECEIVED

SEP 22 2004

WATER RIGHTS  
VERNAL

# TEMPORARY APPLICATION TO APPROPRIATE WATER

Rec. by Bru

Fee Paid \$ 75.00 cash

Receipt # 04-04079

## STATE OF UTAH

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of Title 73, Chapter 3, Utah Code Annotated 1953, as amended.

WATER RIGHT NUMBER: 49 - 2188

(BWHITE)

TEMPORARY APPLICATION NUMBER: T75549

\*\*\*\*\*

### 1. OWNERSHIP INFORMATION:

LAND OWNED? Yes

A. NAME: Tu and Frum Trucking Inc David Murray  
ADDRESS: P. O. Box 146  
Lapoint, UT 84039

B. PRIORITY DATE: September 22, 2004

FILING DATE: September 22, 2004

### 2. SOURCE INFORMATION:

A. QUANTITY OF WATER: 8.0 acre-feet

B. SOURCE: Green River

COUNTY: Uintah

C. POINT OF DIVERSION -- SURFACE:

(1) N 1,190 feet W 200 feet from SE corner, Section 20, T 11S, R 18E, SLBM

D. COMMON DESCRIPTION: 40 miles southeast of Myton

### 3. WATER USE INFORMATION:

OIL EXPLORATION: from Oct 1 to Sep 30 drilling and completion of oil/gas wells

- Oct 1, 2004 to Sep. 30, 2005

Water will be loaded into tank trucks and hauled to place of use.

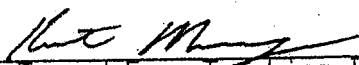
### 4. PLACE OF USE: (which includes all or part of the following legal subdivisions:)

BASE	TOWN	RANG	SEC	NORTH-WEST 1/4				NORTH-EAST 1/4				SOUTH-WEST 1/4				SOUTH-EAST 1/4			
				NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE
SL	9S	17E		Entire TOWNSHIP															
SL	9S	18E		Entire TOWNSHIP															
SL	10S	17E		Entire TOWNSHIP															
SL	10S	18E		Entire TOWNSHIP															
SL	11S	17E		Entire TOWNSHIP															
SL	11S	18E		Entire TOWNSHIP															

MAY 11 2005

## 5. SIGNATURE OF APPLICANT(S):

The applicant(s) hereby acknowledge(s) that he/she/they are citizen(s) of the United States of America or intend(s) to become such a citizen(s). The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purposes herein described. The undersigned hereby acknowledges that even though he/she/they may have been assisted in the preparation of the above-numbered application through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of information contained herein, at the time of filing, rests with the applicant(s).



---

Tu and Frum Trucking Inc David Murray



OLENE S. WALKER

Governor

GAYLE F. MCKEACHNIE

Lieutenant Governor

# State of Utah

DEPARTMENT OF NATURAL RESOURCES

Division of Water Rights

ROBERT L. MORGAN

Executive Director

JERRY D. OLDS

State Engineer/Division Director

>>>>>>>OFFICIAL RECEIPT<<<<<<<<

RECEIPT No. 04-04079

DATE: September 22, 2004

RECEIVED FROM:

TU AND FRUM TRUCKING INC  
DAVID MURRAY,  
P. O. BOX 146  
LAPOINT, UT 84039

NATURE OF SERVICE:

Application to Appropriate 49-2188(T75549)

FEE:

75.00

TOTAL: \$75.00

METHOD OF PAYMENT: Cash

RECEIVED BY: BWHITE



UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
UTAH STATE OFFICE

U.S. Dept. of the Interior  
Bureau of Land Management  
Utah State Office



**Summary Report of Cultural  
Resources Inspection**

**State Proj. No: U-06-SJ-1765b**

1. Report Title: A Cultural Resource Inventory of Four Proposed Wells, Helen Federal #1-26, JSW Federal #2-26, Joelyn Federal #1-27, JW Federal #2-27, and their Associated Access Roads and Pipelines, Duchesne County, Utah
2. Report Date: 3/20/2007
3. Date(s) of Survey: 3/14/2007
4. Development Company: Quinex Energy Corporation
5. Responsible Institution: Sagebrush Consultants, L.L.C.
6. Responsible Individuals  
Principal Investigator: Michael R. Polk  
Field Supervisor: Sandy C. Pagano  
Report Author(s): Sandy C. Pagano
7. BLM Field Office: Vernal Field Office
8. County(ies): Duchesne
9. Fieldwork Location:  
USGS Map: 7.5' Quadrangle Pariette Draw SW, Utah (1964) and Crow Knoll, Utah (1985)  
Twn: 9S. Range: 17E. Sections: 23, 26 and 27.
10. Record Search:  
Location of Records Searched: 1) Division of State History, Utah State Historic Preservation Office  
2)  
Date of Record Search: 1) December 15 and 21, 2006 2)
11. Description of Examination Procedures: The proposed well pad and access and pipeline corridor were walked in parallel transects spaced no more than 15 m (50 ft) apart. The well pad measures 10 ac. The access road and pipeline corridor measured 60 m (200 ft) in width.

12. Area Surveyed:

	BLM	OTHER FED	STATE	PRIVATE
Linear Miles				
Intensive:				
Recon/Intuitive:				
Acreage				
Intensive:	73.71			
Recon/Intuitive:				

## 13. Sites Recorded:

		BLM	OTHER FED	STATE	PRIVATE
		# Smithsonian Site Numbers	# Smithsonian Site Numbers	# Smithsonian Site Numbers	# Smithsonian Site Numbers
Revisits	NR Eligible				
(no IMACS form)					
	Not Eligible				
Revisits	NR Eligible				
(updated IMACS)					
	Not Eligible				
New Recordings	NR Eligible				
(IMACS)					
	Not Eligible				

Total Number of Archaeological Sites: 0

Historic Structures (USHS Form): 0

Total National Register Eligible Sites: 0

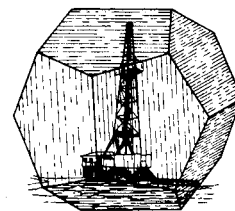
14. Description of Findings: No cultural resource sites or isolates were identified as a result of this inventory.

15. Collection Yes    No X

(If Yes) Curation Facility:

Accession Number(s):

16. Conclusion/Recommendations: Cultural resource clearance is recommended.



## QUINEX ENERGY CORPORATION

465 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 292-3800 • FAX (801) 295-5858

**April 9, 2007**

**State of Utah  
Division of Oil, Gas and Mining  
1594 West North Temple  
Salt Lake City, Utah 84114**


**Gentlemen:**

**Please find enclosed a copy of the Cultural Resources Report by Sagebrush Consultants L.L.C. for Quinex Energy Corporation's JW Federal 2-27, Joelyn Federal 1-27, JSW Federal 1-26, and Helen Federal 1-26 well locations, gas lines and roads.**

**Sagebrush said that they had sent copies of their surveys, roads and pipelines on the well sites to you.**

**I hope these reports will facilitate approval of the APDs for the wells.**

**Sincerely**

  
**DeForrest Smouse  
President, Quinex Energy**

**A CULTURAL RESOURCE INVENTORY OF QUINEX ENERGY CORPORATION  
WELLS JW FEDERAL #2-27, JOELYN FEDERAL #1-27, JSW FEDERAL #2-26,  
AND HELEN FEDERAL #1-26, DUCHESNE COUNTY, UTAH**

by

Sandy Chynoweth Pagano  
Archaeologist

Prepared for:

Quinex Energy Corporation  
465 South 200 West  
Bountiful, Utah 84010

Prepared by:

Sagebrush Consultants, L.L.C.  
3670 Quincy Avenue, Suite 203  
Ogden, Utah 84403

Under the Authority of Cultural Resource Use Permit No. 06UT54630

and

Under the Authority of Utah State Antiquities Permit No. U-06-SJ-1765b

Cultural Resource Report No. 1606

March 20, 2007

## INTRODUCTION

In December 2006, Quinex Energy Corporation (Quinex) of Bountiful, Utah, requested that Sagebrush Consultants, L.L.C. (Sagebrush) conduct a cultural resource inventory of four proposed wells, JW Federal #2-27, Joelyn Federal #1-27, JSW Federal #2-26 and Helen Federal #1-26, and their associated access roads and pipelines, in Duchesne County, Utah. The purpose of this inventory is to identify cultural resources which may be present within the proposed project area.

The proposed well pads and their associated access roads and pipelines are located in T. 9S., R. 17E., S. 23, 26, and 27, on the USGS 7.5' Quadrangle Pariette Draw SW, Utah (1964) (Figure 1). The footages for the wells are:

JW Federal #2-27	656' FNL 705' FEL
Joelyn Federal #1-27	660' FNL 1320' FWL
JSW Federal #2-26	660' FNL 660' FWL
Helen Federal #1-26	1367' FNL 721' FWL

The well pads and their associated access roads and pipelines lie on lands administered by the Bureau of Land Management (BLM), Vernal Field Office. The cultural resource survey was carried out by Sandy Chynoweth Pagano, John Stevens, and John Peart on March 14, 2007 under the authority of Cultural Resource Use Permit No. 06UT54630 and Utah State Antiquities Permit No. U-06-SJ-1765b.

Prior to conducting fieldwork, a GIS file search for previously recorded cultural resource sites and projects conducted near the current project was completed through Arie LeeFlang, of the Antiquities Section, Division of State History, Utah Historic Preservation Office (SHPO), in Salt Lake City, on December 14, 2006. Marty Thomas, on behalf of Sagebrush, conducted a file search at the SHPO on December 21, 2006.

Due to the large number of projects conducted in this area, individual project descriptions will not be listed. However, eight cultural resource sites have been identified within one mile of the current project area. Following is a brief description of these sites:

**Site 42UN1174** is a prehistoric open camp and lithic scatter located on a low bench. Artifacts observed include an Elko Eared or Pinto projectile point, numerous bifaces, unifaces, and preforms, and lithic flakes representing all stages of lithic reduction. The site was recommended eligible to the National Register of Historic Places (NRHP).

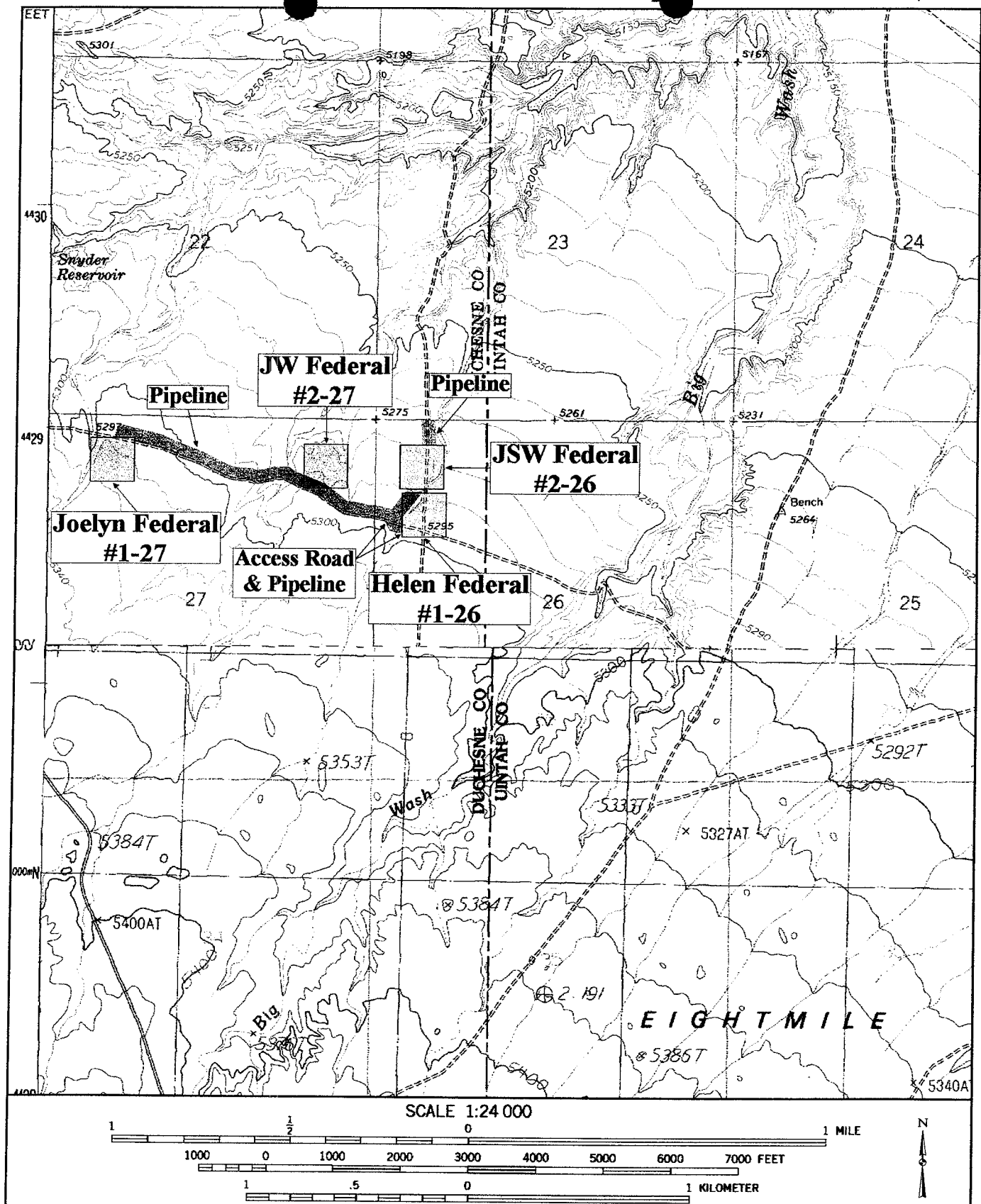


Figure 1. Location of the proposed wells Helen Federal #1-26, JSW Federal #2-26, Joelyn Federal #1-27, JW Federal #2-27, and associated access road and pipelines. Taken from USGS 7.5' Quadrangles Pariette Draw SW (1964) and Crow Knoll, Utah (P.E. 1985).

**Site 42UN1175** is a large prehistoric lithic scatter in a sandy swale elevated above a drainage and its flood plain. The artifacts observed include a Rocker side-notched projectile point and a variety of lithic debitage. The site was recommended eligible to the NRHP.

**Site 42UN1176**, located on a bench above a large intermittent drainage, is a small lithic scatter of five flakes and four expedient tools. The site was recommended not eligible to the NRHP.

**Site 42DC1667** is an historic temporary camp located on a finger ridge. Cultural materials include tin cans, tobacco tins, and a spice can top. The site was recommended not eligible to the NRHP.

**Site 42UN2260** is a prehistoric open camp and lithic scatter located near low sandstone outcrops. Artifacts include a projectile point, a chopper, groundstone and groundstone fragments, and a scatter of lithic debris. The site was recommended eligible to the NRHP.

**Site 42UN3377**, located on a sand dune, is a low density lithic scatter of fifteen flakes and two ground stone metates. Because the site is located on a dune, it was expected that there may be cultural depth at the site. The site was recommended eligible to the NRHP.

**Site 42UN3380** is an historic artifact scatter located on a low ridge and extending downslope. Cultural materials consist of tin cans, a cartridge casing, tobacco tins, and scattered wood chips. The site was recommended not eligible to the NRHP.

**Site 42UN3381** is a large temporary historic camp located on a low finger ridge top. Artifacts at the site include tin cans, a log cabin syrup can, a Liberty nickel, and a deteriorated axe-cut wood pile. The site was recommended not eligible to the NRHP.

Sagebrush personnel also reviewed General Land Office (GLO) plat maps located in the Public Room of the BLM Utah State Office, Salt Lake City. The NRHP was consulted prior to the commencement of fieldwork for the current project. No NRHP sites were found to be in the vicinity of the current project area. No other sites were noted in the project area.

## **ENVIRONMENT**

The project area is located in the dissected tablelands west of the Green River, approximately 16 miles south of Myton, Utah. The elevation ranges between 5275 and 5300 feet

a.s.l. The surface sediments in the area consist of fluvial deposits and thinly bedded Pleistocene lake bed deposits. Soils in these areas are poorly developed and sandy in nature. Sediments consist of tan to light reddish brown sandy silt mixed with angular rock fragments composed of mudstone, limestone, and sandstone. Vegetation in the area is sparse and covers less than 10 percent of the ground surface and consists of sagebrush community species. Noted species include prickly pear cactus, small sagebrush, bunch grass, and winterfat. Ephemeral drainages are present in the vicinity of the current project area. The nearest permanent water source is Snyder Spring, located approximately one half mile north-northwest of the project area, and the Green River, which is located approximately 12 miles east of the project area. Natural disturbances in the area consist of sheetwash and aeolian erosion. Cultural disturbances include oil and gas development, roads, and impacts from livestock grazing.

## **METHODOLOGY**

An intensive cultural resource inventory was carried out for four wells, JW Federal #2-27, Joelyn Federal #1-27, JSW Federal #2-26, and Helen Federal #1-26, and their associated access roads and pipelines, in Duchesne County, Utah. The project area consists of four 40,469 sq m (10 acre) parcels of land measuring 201-by-201 m (660-by-660 ft) and centered on the proposed well heads, and 2240 m (7,340 ft) of proposed access road and pipeline corridors. The well pads were inventoried in parallel transects spaced no more than 15 m (50 ft) apart. The access road and/or pipeline corridors were also walked in parallel transects spaced 15 m (50 ft) apart to cover a corridor width of 60 m (200 ft). The area surveyed during this project, including well pads, access roads and pipelines, totaled 29.83 ha (73.71 ac) all situated on lands administered by the BLM.

## **RESULTS/RECOMMENDATIONS**

An intensive cultural resource inventory was carried out for four wells, JW Federal #2-27, Joelyn Federal #1-27, JSW Federal #2-26, and Helen Federal #1-26, and their associated access roads and pipelines, in Duchesne County, Utah. No cultural resources were located during this inventory. As a result, cultural resource clearance is recommended for the project area.

This investigation was conducted with techniques which are considered to be adequate for evaluating cultural resources which could be adversely affected by the project. However, should cultural resources be discovered on during construction, work should cease and a report should be made immediately to the BLM Archaeologist, Vernal Field Office, Vernal, Utah.



# QUINEX ENERGY CORP.

## JANS FEDERAL #1-25

LOCATED IN UINTAH COUNTY, UTAH  
SECTION 25, T9S, R17E, S.L.B.&M.

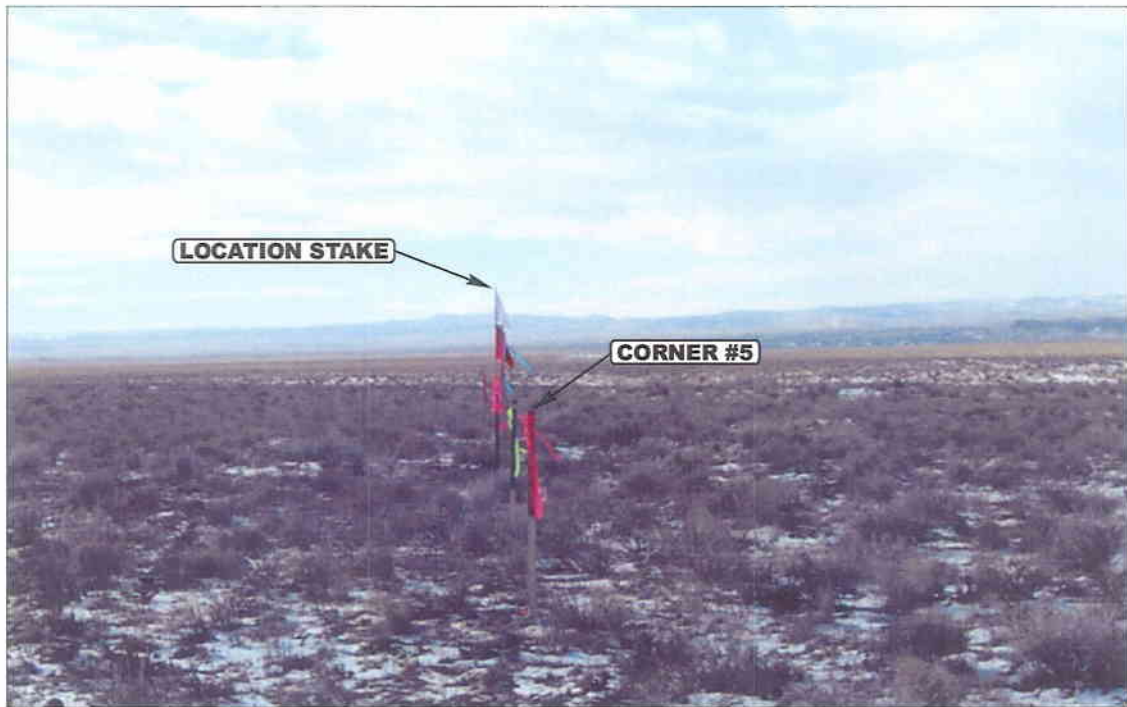


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: EASTERLY



- Since 1964 -

**UELS** Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
435-789-1017 uels@uelsinc.com

**LOCATION PHOTOS**

**12 05 06**  
MONTH DAY YEAR

**PHOTO**

TAKEN BY: G.O.

DRAWN BY: L.K.

REVISED: 00-00-00

Existing Road

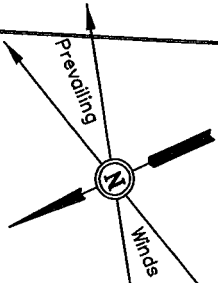
QUINEX ENERGY CORP.

LOCATION LAYOUT FOR

JANS FEDERAL #1-25  
SECTION 25, T9S, R17E, S.L.B.&M.

660' FNL 660' FWL

Proposed Access Road



SCALE: 1" = 60'  
DATE: 12-06-06  
Drawn By: C.H.

F-1.4'  
El. 51.1'

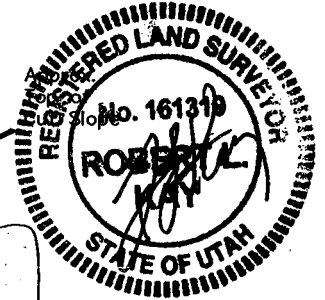
Approx.  
Toe of  
Fill Slope

F-0.2'  
El. 52.3'

C-1.6'  
El. 54.1'

**NOTE:**

Flare Pit is to be located a min. of 100' from the Well Head.



El. 50.3'  
C-7.8'  
(btm. pit)

F-0.4'  
Flare Pit  
El. 52.1'

El. 52.5'  
GRADE

C-0.5'  
El. 53.0'

Sta. 1+80

C-2.2'  
El. 54.7'

El. 49.9'  
C-7.4'  
(btm. pit)

El. 51.3'  
F-1.2'

El. 50.3'  
F-2.2'

F-1.9'  
El. 50.6'

F-1.7'  
El. 50.8'

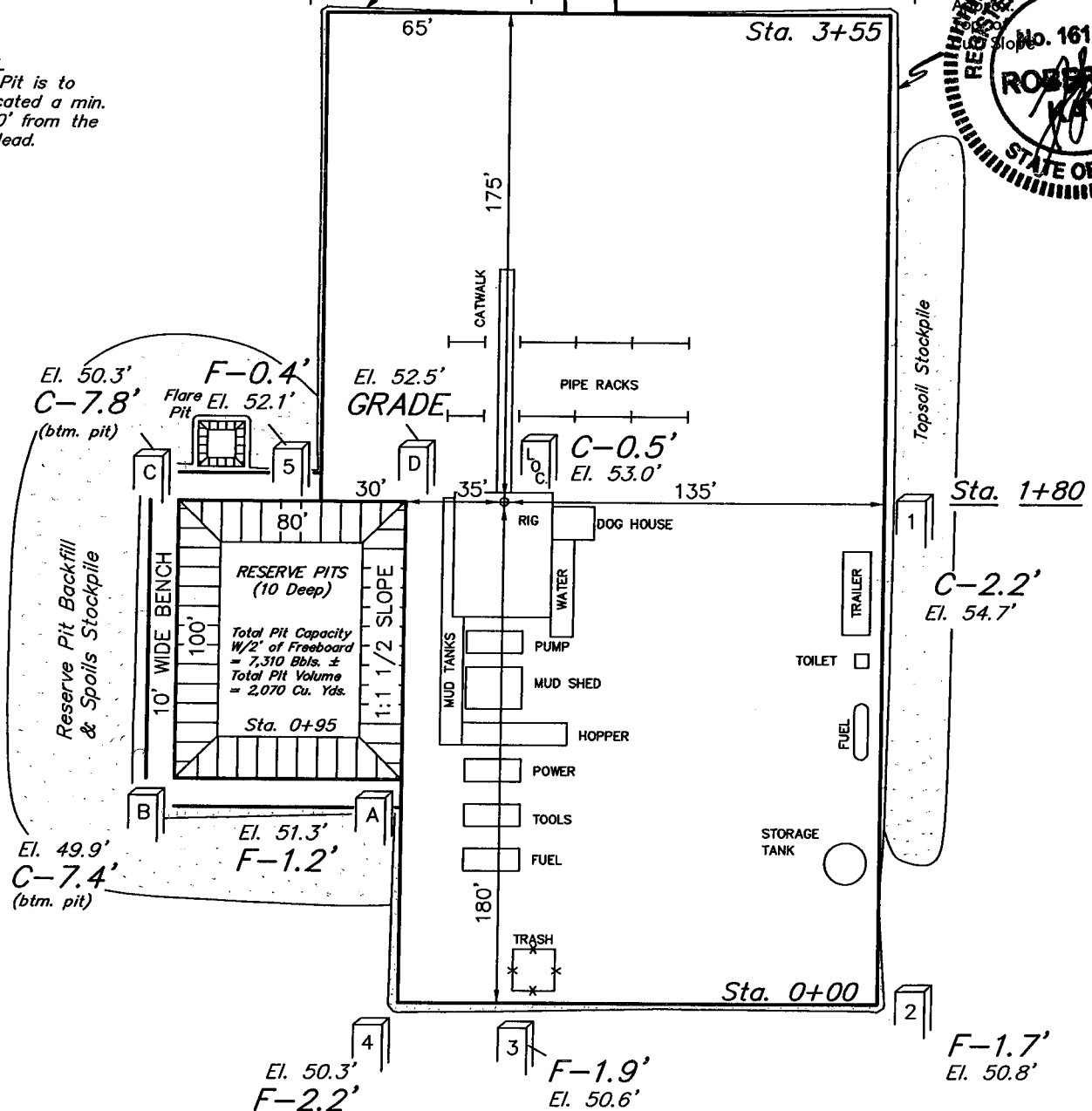


FIGURE #1

Elev. Ungraded Ground at Location Stake = 5253.0'

Elev. Graded Ground at Location Stake = 5252.5'

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

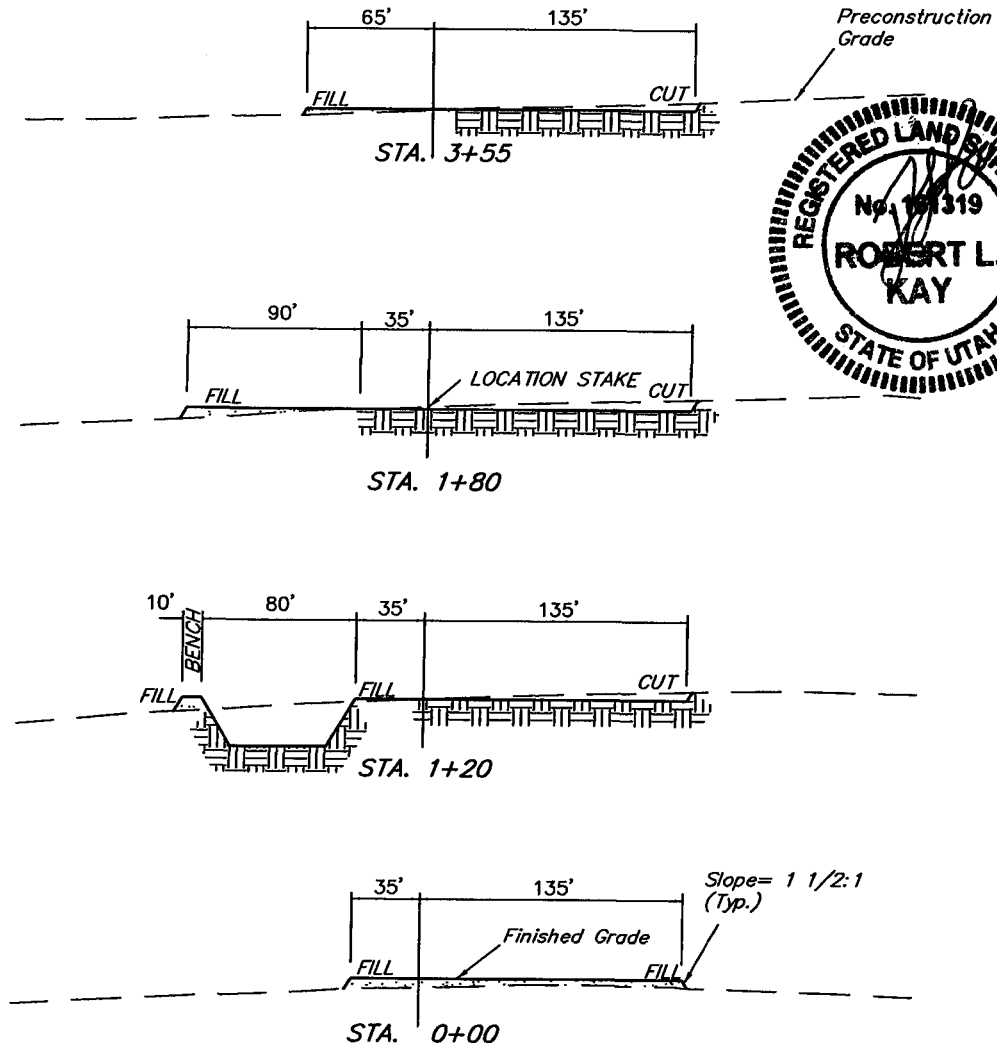
# QUINEX ENERGY CORP.

## TYPICAL CROSS SECTIONS FOR

JANS FEDERAL #1-25  
SECTION 25, T9S, R17E, S.L.B.&M.  
660' FNL 660' FWL

FIGURE #2

1" = 40'  
X-Section  
Scale  
1" = 100'  
DATE: 12-06-06  
Drawn By: C.H.



### NOTE:

Topsoil should not be Stripped Below Finished Grade on Substructure Area.

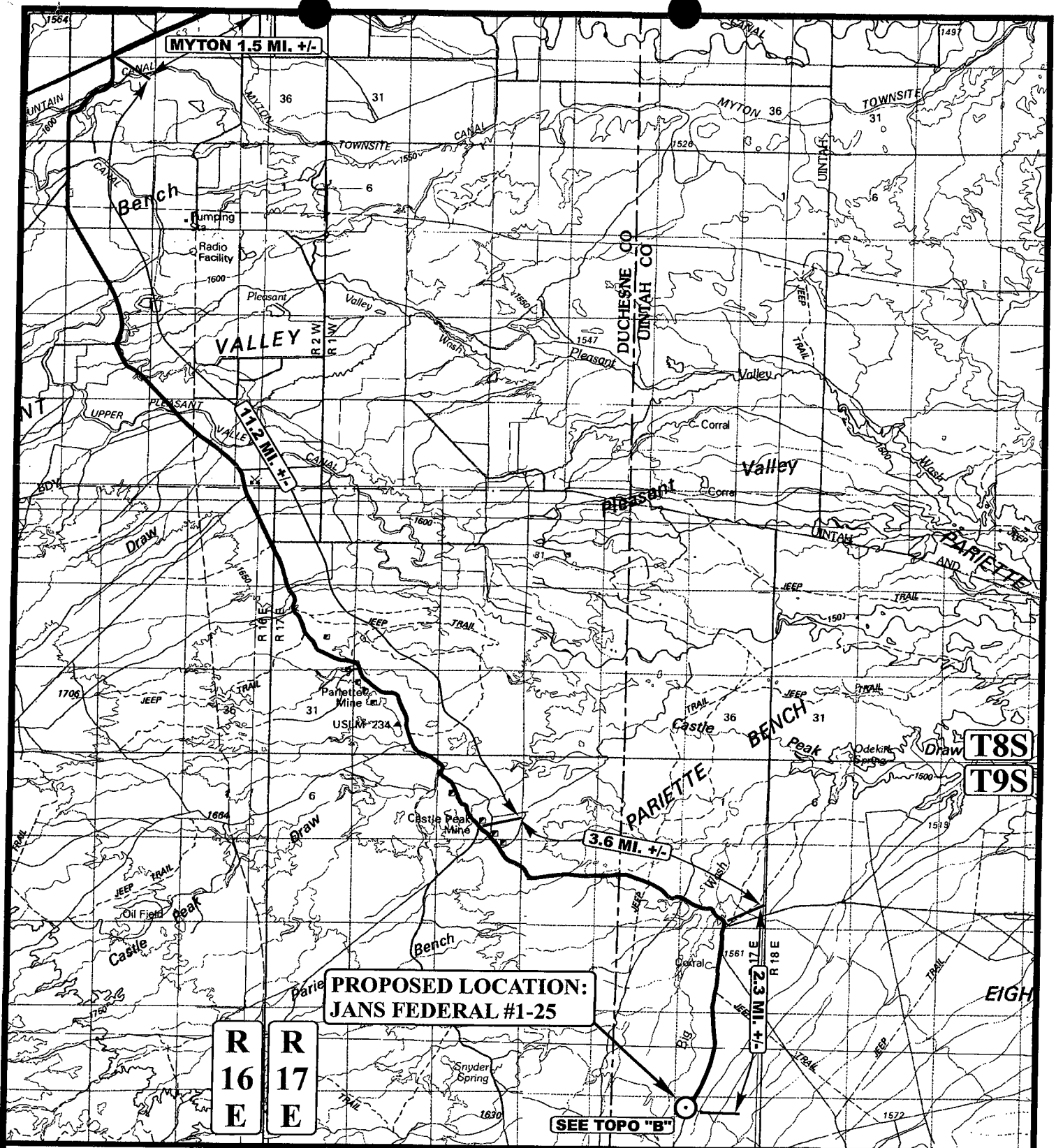
\* NOTE:  
FILL QUANTITY INCLUDES  
5% FOR COMPACTION

### APPROXIMATE YARDAGES

CUT  
(6") Topsoil Stripping = 1,500 Cu. Yds.  
Remaining Location = 2,570 Cu. Yds.  
TOTAL CUT = 4,070 CU.YDS.  
FILL = 1,530 CU.YDS.

EXCESS MATERIAL = 2,540 Cu. Yds.  
Topsoil & Pit Backfill = 2,540 Cu. Yds.  
(1/2 Pit Vol.)  
EXCESS UNBALANCE = 0 Cu. Yds.  
(After Interim Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017



# **LEGEND:**

○ PROPOSED LOCATION

## **QUINEX ENERGY CORP.**

**JANS FEDERAL #1-25**  
**SECTION 25, T9S, R17E, S.L.B.&M.**  
**660' FNL 660' FFL**



**Utah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC**  
**MAP**

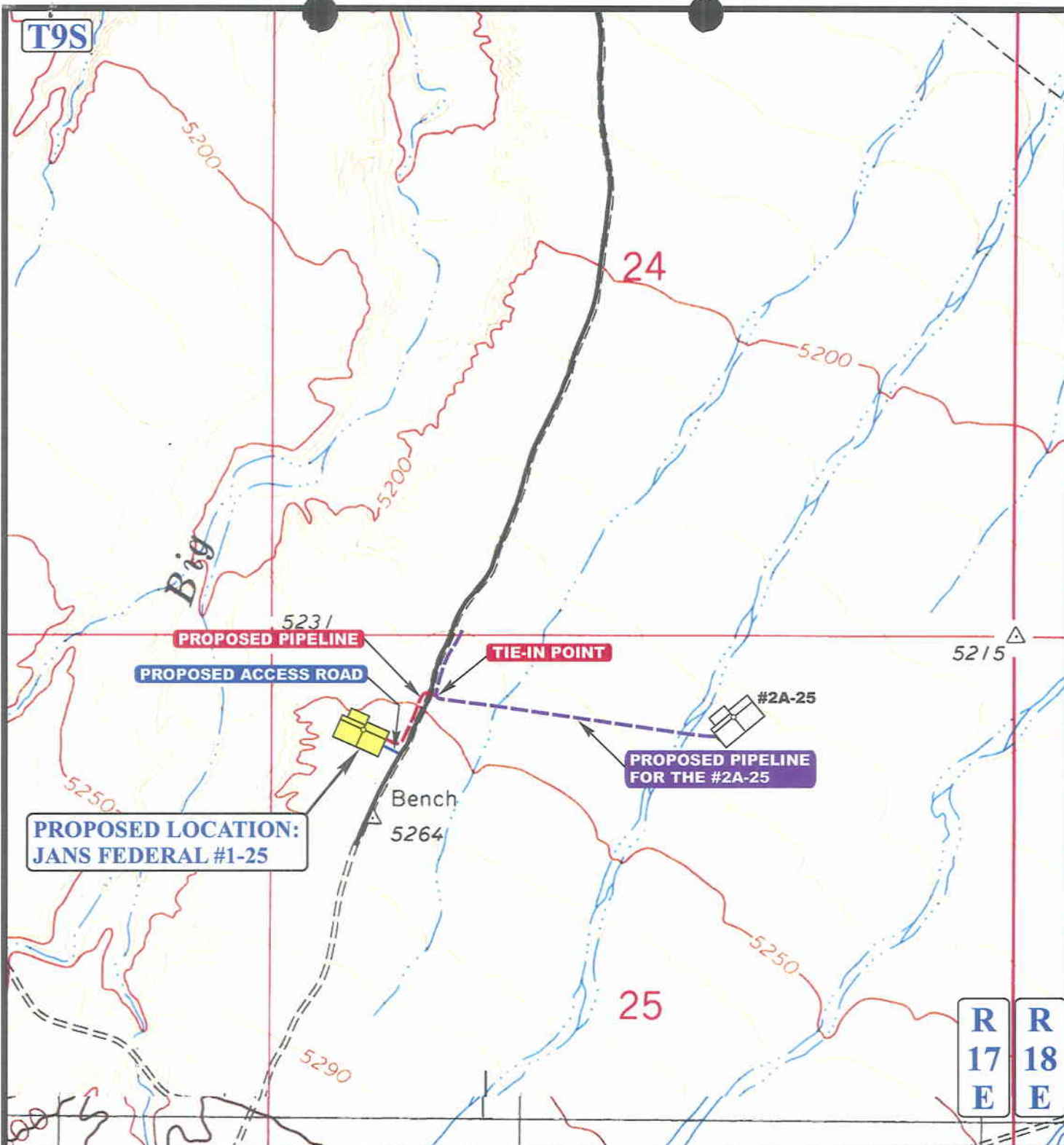
**12 05 06**  
 MONTH DAY YEAR

**SCALE: 1:100,000** **DRAWN BY: L.K.** **REVISED: 00-00-00**









**APPROXIMATE TOTAL PIPELINE DISTANCE = 573' +/-**

**LEGEND:**

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE
- - - - PROPOSED PIPELINE (SERVICING OTHER WELLS)



**QUINEX ENERGY CORP.**

**JANS FEDERAL #1-25**  
**SECTION 25, T9S, R17E, S.L.B.&M.**  
**660' FNL 660' FFL**



**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC**  
**MAP**

**12 05 06**  
 MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: L.K. REVISED: 00-00-00



**WORKSHEET**  
**APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 04/09/2007

API NO. ASSIGNED: 43-047-39195

WELL NAME: JANS FED 1-25

OPERATOR: QUINEX ENERGY CORP ( N9995 )

PHONE NUMBER: 801-292-3800

CONTACT: DEFORREST SMOUSE

**PROPOSED LOCATION:**

NWNW 25 090S 170E

SURFACE: 0660 FNL 0660 FWL

BOTTOM: 0660 FNL 0660 FWL

COUNTY: UINTAH

LATITUDE: 40.00737 LONGITUDE: -109.9614

UTM SURF EASTINGS: 588644 NORTHINGS: 4428882

FIELD NAME: 8 MILE FLAT NORTH ( 590 )

INSPECT LOCATN BY: / /

**Tech Review**

**Initials**

**Date**

Engineering

Geology

Surface

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU 80566

PROPOSED FORMATION: CSLPK

SURFACE OWNER: 1 - Federal

COALBED METHANE WELL? NO

**RECEIVED AND/OR REVIEWED:**

☒ Plat  
☒ Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. UTB000107 )  
☒ Potash (Y/N)  
☒ Oil Shale 190-5 (B) or 190-3 or 190-13  
☒ Water Permit  
(No. 49-2188 )  
☒ RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )  
☒ Fee Surf Agreement (Y/N)  
☒ Intent to Commingle (Y/N)

**LOCATION AND SITING:**

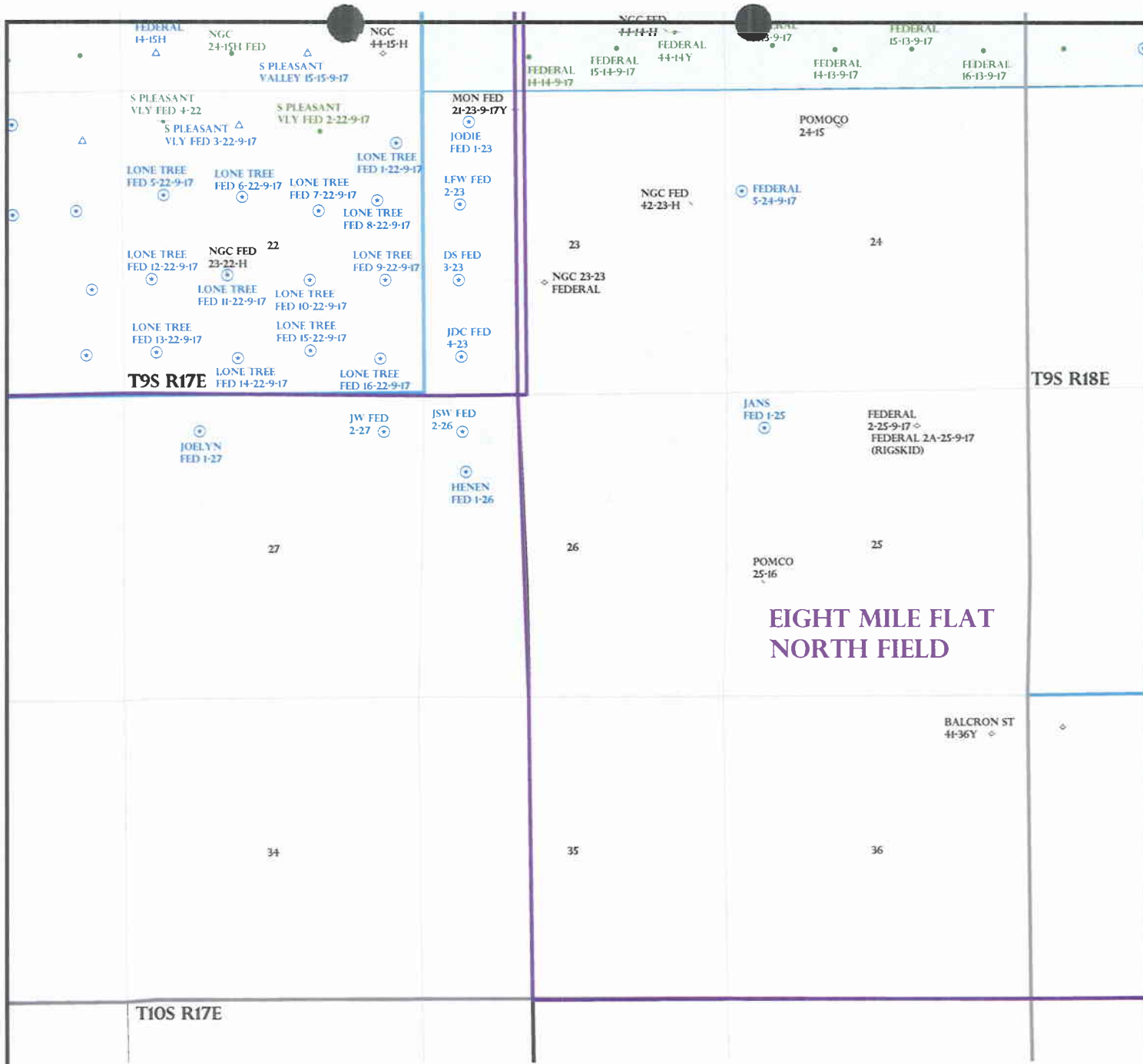
\_\_\_\_\_ R649-2-3.  
Unit: \_\_\_\_\_  
☒ R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells  
\_\_\_\_\_ R649-3-3. Exception  
\_\_\_\_\_ Drilling Unit  
Board Cause No: \_\_\_\_\_  
Eff Date: \_\_\_\_\_  
Siting: \_\_\_\_\_  
\_\_\_\_\_ R649-3-11. Directional Drill

COMMENTS: \_\_\_\_\_

STIPULATIONS: \_\_\_\_\_

1. *Order Approval*  
2. *Spacing Strip*





OPERATOR: QUINEX ENERGY CORP (N9995)

SEC: 25 T.9S R. 17E

FIELD: EIGHT MILE FLAT NORTH (590)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING

**Field Status**

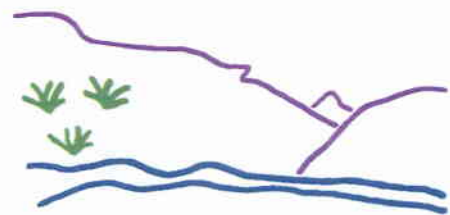
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

**Unit Status**

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

#### Wells Status

- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA MASON  
DATE: 10-APRIL-2007





**State of Utah**

**Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

April 11, 2007

Quinex Energy Corporation  
465 S 200 W  
Bountiful, UT 84010

Re: Jans Federal 1-25 Well, 660' FNL, 660' FWL, NW NW, Sec. 25, T. 9 South,  
R. 17 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-39195.

Sincerely,

A handwritten signature in black ink, appearing to read "Gil Hunt".

Gil Hunt  
Associate Director

pab  
Enclosures

cc: Uintah County Assessor (via e-mail)  
Bureau of Land Management, Vernal Office

Operator: Quinex Energy Corporation  
Well Name & Number Jans Federal 1-25  
API Number: 43-047-39195  
Lease: UTU 80566

Location: NW NW Sec. 25 T. 9 South R. 17 East

### Conditions of Approval

#### 1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

#### 2. Notification Requirements

Notify the Division with 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dustin Doucet at (801) 538-5281 office  
(801) 733-0983 home

#### 3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

#### 4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

#### 5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells or to reenter plugged and abandoned wells.  
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN for such Proposals.

1. Type of Well: OIL ☒ GAS ☐ OTHER:

2. Name of Operator:

**QUINEX ENERGY CORPORATION**

3. Address and Telephone Number:

**465 South 200 West, Suite 300, Bountiful, Utah 84010**

4. Location of Well: **660' FNL, 660 FWL, SECTION 25, T 9 S,**

Footages: **AS ABOVE**

QQ, Sec., T., R., M.:

5. Lease Designation and Serial Number:

**UTU 80566**

6. If Indian, Allottee or Tribe Name

**FEDERAL**

7. Unit Agreement Name,

**FEDERAL**

8. Well Name and Number:

**JANS FEDERAL 1-25**

9. AP Well Number:

**43-047-39195**

10. Field and Pool, or Wildcat:

**UNDESIGNATED**

County: **Uintah**

State: **Utah**

### 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

#### NOTICE OF INTENT

(Submit in Duplicate)

- |  |   |
|--|---|
| <input type="checkbox"/> Abandon                         | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing                   | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans                 | <input type="checkbox"/> Recomplete           |
| <input type="checkbox"/> Convert to Injection            | <input type="checkbox"/> Reperforate          |
| <input type="checkbox"/> Fracture Treat or Acidize       | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Multiple Completion             | <input type="checkbox"/> Water Shut-Off       |
| <input type="checkbox"/> Other <u>CHANGE CASING SIZE</u> |   |

Approximate date work will start AUGUST 15, 2007

#### SUBSEQUENT REPORT

(Submit Original Form Only)

- |  |   |
|--|---|
| <input type="checkbox"/> Abandon *                 | <input type="checkbox"/> New Construction       |
| <input type="checkbox"/> Repair Casing             | <input type="checkbox"/> Pull or Alter Casing   |
| <input type="checkbox"/> Change of Plans           | <input checked="" type="checkbox"/> Reperforate |
| <input type="checkbox"/> Convert to Injection      | <input type="checkbox"/> Vent or Flare          |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Water Shut-Off         |
| <input type="checkbox"/> Other _____               |   |

Date of work completion \_\_\_\_\_

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

\* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

**QUINEX ENERGY CORPORATION PLANS ON CHANGING THE BOTTOM CASING STRING FROM P 110 TO N 80**

**RECEIVED**

**JUN 18 2007**

**DIV. OF OIL, GAS & MINING**

13.

Name & Signature: DeForrest Smouse, PhD

Title: President, Quinex Energy Date: JUNE 15,

(This space for State use only)

Accepted by the  
Utah Division of  
Oil, Gas and Mining

Federal Approval Of This  
Action Is Necessary

(See Instructions on Reverse Side)

(494)

Date: 7/9/07  
By: [Signature]

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells or to reenter plugged and abandoned wells.  
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN for such Proposals.

1. Type of Well: OIL ☒ GAS ☐ OTHER:

2. Name of Operator:

QUINEX ENERGY CORPORATION

3. Address and Telephone Number:

465 South 200 West, Suite 300, Bountiful, Utah 84010

4. Location of Well: 660' FNL, 660' FWL SECTION 25, T 9 S, R 18 E

Footages: NW1/4, NW1/4, SECTION 25, T 9 S, R 17 E

QQ, Sec., T., R., M.:

5. Lease Designation and Serial Number:

FEDERAL UTU - -80566

6. If Indian, Allottee or Tribe Name

FEDERAL

7. Unit Agreement Name,

FEDERAL

8. Well Name and Number:

Jan S FEDERAL 1 -25

9. AP Well Number:

43-0A7-39195

10. Field and Pool, or Wildcat:

UNDESIGNATED

County: Uintah

State: Utah

### 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

#### NOTICE OF INTENT

(Submit in Duplicate)

- |  |   |
|--|---|
| <input type="checkbox"/> Abandon   | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing                                   | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans                                 | <input type="checkbox"/> Recomplete           |
| <input type="checkbox"/> Convert to Injection                            | <input type="checkbox"/> Reperforate          |
| <input type="checkbox"/> Fracture Treat or Acidize                       | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Multiple Completion                             | <input type="checkbox"/> Water Shut-Off       |
| <input checked="" type="checkbox"/> Other CHANGE DEPTH OF SURFACE CASING |   |

Approximate date work will start \_\_\_\_\_

#### SUBSEQUENT REPORT

(Submit Original Form Only)

- |  |   |
|--|---|
| <input type="checkbox"/> Abandon *                 | <input type="checkbox"/> New Construction       |
| <input type="checkbox"/> Repair Casing             | <input type="checkbox"/> Pull or Alter Casing   |
| <input type="checkbox"/> Change of Plans           | <input checked="" type="checkbox"/> Reperforate |
| <input type="checkbox"/> Convert to Injection      | <input type="checkbox"/> Vent or Flare          |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Water Shut-Off         |
| <input type="checkbox"/> Other E                   |   |

Date of work completion \_\_\_\_\_

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

\* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

QUINEX ENERGY PLANS TO CHANGE THE DEPTH OF 8 5/8" SURFACE CASING TO 350', RATHER THAN 800'.

Accepted by the  
Utah Division of  
Oil, Gas and Mining  
**FOR RECORD ONLY**

13.

Name & Signature: DeForrest Smouse, PhD

Title: President, Quinex Energy

Date: 6/27/2007

(This space for State use only)

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JUL 06 2007

DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. FEDERAL / UTU-80566	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME FEDERAL	
2. NAME OF OPERATOR QUINEX ENERGY CORPORATION		7. UNIT AGREEMENT NAME FEDERAL	
3. ADDRESS OF OPERATOR 465 SOUTH 200 WEST, SUITE 300, BOUNTIFUL, UTAH 84010		8. FARM OR LEASE NAME JANS FEDERAL	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 660' FNL, 660' FWL, SECTION 25, T 9 S, R 17 E At proposed prod. zone SAME AS ABOVE		9. WELL NO. #1-25	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 16 MILES SOUTH, SOUTH EAST FROM MYTON, UTAH		10. FIELD AND POOL, OR WILDCAT UNDESIGNATED	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) Section 25		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA NWNW SECTION 25, T9S, R17E	
16. NO. OF ACRES IN LEASE 1800		12. COUNTY OR PARISH UINTAH	
17. NO. OF ACRES ASSIGNED TO THIS WELL 40		13. STATE UTAH	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. JSW Federal #2-26		19. PROPOSED DEPTH 5,600	
20. ROTARY OR CABLE TOOLS ROTARY		21. APPROX. DATE WORK WILL START* 1 JULY 2007	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) GR-5290'			

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	J55 24#	800'	CLASS G 900SKS 15.5# 1.195
7 5/8"	5 1/2"	P110 15.5#	5,600'	LITE 400SKS 14.2# 1.461
				CLASS G 300SKS 15.5# 1.195

Quinex Energy Corporation plans on drilling this well through the Green River Formation. Gas delivery will be through pipe line to Newfield's closest gas line. Survey has been made for the gas delivery system.

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DIV. OF OIL, GAS & MINING

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APR - 9 2007

BLM VERNAL, UTAH

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED [Signature] TITLE PRESIDENT DATE 4/4/2007

(This space for Federal or State office use)

PERMIT NO. 4304739195 APPROVAL DATE

APPROVED BY [Signature] TITLE Assistant Field Manager DATE 11-19-2007  
CONDITIONS OF APPROVAL, IF ANY:

CONDITIONS OF APPROVAL ATTACHED  
NOTICE OF APPROVAL

\*See Instructions On Reverse Side



UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
VERNAL FIELD OFFICE

170 South 500 East VERNAL, UT 84078 (435) 781-4400



**CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL**

Company: Quinex Energy Corp. Location: NWNW, Sec 25, T9S, R17E  
Well No: Jans Federal 1-25 Lease No: UTU-80566  
API No: 43-047-39195 Agreement: N/A

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	James Ashley	(435) 781-4470	(435) 828-7874
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
NRS/Enviro Scientist:	Paul Buhler	(435) 781-4475	(435) 828-4029
NRS/Enviro Scientist:	Karl Wright	(435) 781-4484	(435) 828-7381
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	
NRS/Enviro Scientist:		(435) 781-4476	
NRS/Enviro Scientist:	Chuck MacDonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Jannice Cutler	(435) 781-3400	(435) 828-3544
NRS/Enviro Scientist:	Michael Cutler	(435) 781-3401	(435) 828-3546
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist:	Darren Williams	(435) 781-4447	
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	(435) 828-3545

Fax: (435) 781-3420

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR  
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

**NOTIFICATION REQUIREMENTS**

Location Construction (Notify NRS/Enviro Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify NRS/Enviro Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supervisory Petroleum Technician)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings
BOP & Related Equipment Tests (Notify Supervisory Petroleum Technician)	-	Twenty-Four (24) hours prior to initiating pressure tests
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days

***SURFACE USE PROGRAM  
CONDITIONS OF APPROVAL (COAs)***

**General Surface COAs:**

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

**Site Specific Surface COAs**

Conditions of Approval: Some of these Conditions may also be found in the APD or SOP.

- **Within 90** calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee will submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this will include the Best Management Practice of the reshaping of the pad to the original contour to the extent possible; the re-spreading of the top soil up to the rig anchor points; and, reseeding the area using appropriate reclamation methods.
- **Surface Disturbing Activities Notification:** Notify the Authorized Officer (AO) 48 hours prior to surface disturbing activities.
- **Time Limitations:** (Only during construction & drilling)  
Lands in this lease have been identified as habitat for Sage Grouse, Ferruginous Hawk, Mountain Plover, Northern Harrier, and Burrowing Owl. Therefore, modifications to the Surface Use Plan of Operations will be required in order to protect this wildlife habitat from surface disturbing activities (see table below)
- | <b>TIME RESTRICTION</b> | <b>REASON</b>                    |
|-------------------------|----------------------------------|
| • March 1-June 30       | Sage Grouse lek/nesting habitat  |
| • March 1- July 15      | Ferruginous Hawk nesting habitat |
| • April 1- July 15      | Northern Harrier nesting habitat |
| • May 15- June 15       | Mountain Plover nesting habitat  |
- **Special Status Plants:** If Uinta Basin hookless cactus or other special status plants are found, construction will cease and the AO will be notified to determine the appropriate mitigation.
- **Access Road:**
  - Access roads should meet BLM standard, and if possible, limit construction to gentle slopes in order to avoid need for special construction designs.
  - The maximum disturbed width for access roads is 30 feet, and the roads shall be crowned, ditched, and constructed with a running surface of 18 feet.

- Access roads should be winding, and kept off the ridge. Install culverts, low water crossings, water bars, turn outs, etc. as necessary, in order to provide good drainage, control soil erosion, and also for safety reasons.
- **Pipelines:** The buried pipeline exception request has been reviewed, and it has been determined that the pipeline route has bedrock exposed at the surface. The exception is granted for surface, steel and poly, 2-6" pipelines. The pipelines will be laid parallel to the access roads or other existing roads and will safely tie into other existing flowlines.
  - **Note:** Pipelines will be buried at all major road and drainage crossings.
- **Wet Soil - Caution:** No vehicle travel, construction or routine maintenance activities shall be performed during periods when the soil is too wet to adequately support vehicles and/or construction equipment. If such equipment creates ruts in excess of three inches deep in a straight line travel path, the soil shall be deemed too wet to adequately support construction equipment.
- **Topsoil:** Four to six inches of topsoil shall be stripped from the location and stored for later use during reclamation.
- **Soil Erosion – Caution:** Lands where the proposed oil wells are located have been identified as vulnerable to moderate erosion. If additional erosion occurs during the life of this project, more culverts, diversion channels, berms, wing ditches, low water crossings, etc. will need to be installed/constructed in order to control erosion.
- **Reserve Pit:** The reserve pit will be constructed in such a way that it will not leak, break or allow discharge of fluids in it. Line the pit with a 14 ml or greater liner and felt. When the drilling operations have been completed, the oily, dark colored surface layer mainly composed of hydrocarbons should be removed (43 CFR 3162.7-1). And weather permitting; the reserve pit should be backfilled, and reclaimed within 90 days.
- **Fencing:** Any pits, and open tanks should be fenced in order to exclude livestock and other wildlife from the area, obviously preventing them from getting hurt and drinking water or fluids which could be toxic, either immediately, or development of long term cumulative adverse health impacts. The reserve pit will initially be fenced on 3 sides during drilling operations, but once drilling has ceased, and the rig has been removed, the fourth side should be fenced too. The fences will be maintained until the pit has been reclaimed.
- **Drainages:**
- Keep drainages clear.
  - Ditches, culverts and all installments will be properly constructed in order to avoid sedimentation of drainage ways and other water resources.
  - Prevent fill and stock piles from entering drainages.
- **Paint Color:** All well facilities not regulated by OSHA will be painted Carlsbad Canyon.
- **General Maintenance:**
- The operator will be responsible for treatment and control of invasive and noxious weeds.
  - Prior to any treatment on BLM administered lands, a Pesticide Use Proposal will be submitted to the Vernal Field Office for approval.
- All boulders found on the surface will be stockpiled for use during final reclamation.
- The operator shall keep the site well maintained and up-to-date.



- **Interim Reclamation:**
- **Maximize** interim reclamation. Within the pad, reseed all areas not needed for production; only leave room for vehicle access.
- During interim reclamation of the surface, the following seed mixture will be used (PLS formula).
  - Indian Ricegrass (*Oryzopsis hymenoides*) 6 lbs/acre
  - Galleta Grass (*Hilaria jamesii*) 6 lbs/acre
  - Rates are set for drill seeding; double the rate if broadcasting.
  - Reseeding may be required if initial seeding is not successful.
  - **If no germination after two attempts, contact BLM authorized officer.**
- **Final Reclamation:**
- See APD
- Once the location is plugged and abandoned, it shall be recontoured to natural topography, topsoil shall be re-spread, and the entire location shall be seeded with a seed mixture recommended by the A.O. **Seed application will follow all guidelines recommended for seedbed preparation, planting, watering, and seedling care after germination.**

## **DOWNHOLE CONDITIONS OF APPROVAL**

### **SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL**

- Production casing cement shall be brought up and into the surface.

**All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to.** The following items are emphasized:

### **DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS**

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.

- Chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT\_VN\_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

## **OPERATING REQUIREMENT REMINDERS:**

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
  - Operator name, address, and telephone number.
  - Well name and number.
  - Well location (¼¼, Sec., Twn, Rng, and P.M.).
  - Date well was placed in a producing status (date of first production for which royalty will be paid).
  - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
  - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
  - Unit agreement and/or participating area name and number, if applicable.
  - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or

data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU - 80566
2. NAME OF OPERATOR: QUINEX ENERGY CORPORATION		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: FEDERAL
3. ADDRESS OF OPERATOR: 465 SOUTH 200 WEST CITY BOUNTIFUL STATE UT ZIP 84010		7. UNIT or CA AGREEMENT NAME: FEDERAL
PHONE NUMBER: 292-3800		8. WELL NAME and NUMBER: JANS FEDERAL 1-25
4. LOCATION OF WELL FOOTAGES AT SURFACE: 660' FNL, 660' FWL Section 25, T 9 S, R 17 E QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 25 9S 17E		9. API NUMBER: 047-39195
COUNTY: UINTAH STATE: UTAH		10. FIELD AND POOL, OR WILDCAT: South Monument Butte

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Request for extnsion of drilling permit
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

QUINEX ENERGY CORPORATION REQUEST AN EXTENSION OF DRILLING PERMIT ON THE JANS FEDERAL 1-25.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date:

05-05-08

By:

*[Signature]*

COPY SENT TO OPERATOR

Date: 5.6.2008

Initials: KS

NAME (PLEASE PRINT) DeForrest Smouse PhD	TITLE President Quinex Energy Corporation
SIGNATURE <i>[Signature]</i>	DATE 5/2/2008

(This space for State use only)

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MAY 05 2008  
DIV. OF OIL, GAS & MINING



**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 43-047-39195  
**Well Name:** JANS FEDERAL 1-25  
**Location:** NW,NW, Section 25, T 9 S, R 17 E, Uintah Co.  
**Company Permit Issued to:** QUINEX ENERGY CORPORATION  
**Date Original Permit Issued:** 4/11/2007

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

  
Signature

5/2/2008  
Date

Title: President

Representing: QUINEX ENERGY CORPORATION

**RECEIVED**  
**MAY 05 2008**  
DIV. OF OIL, GAS & MINING

## DIVISION OF OIL, GAS AND MINING

### SPUDDING INFORMATION

Name of Company: QUINEX ENERGY CORPORATION

Well Name: JANS FED 1-25

Api No: 43-047-39195 Lease Type: FEDERAL

Section 25 Township 09S Range 17E County UINTAH

Drilling Contractor BILL JR'S RIG # RATHOLE

### SPUDDED:

Date 10/10/08

Time NOON

How DRY

**Drilling will Commence:** \_\_\_\_\_

Reported by MIKE HEBERTSON

Telephone # (801) 292-3800

Date 10/13//08 Signed CHD



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

5. Lease Serial No.  
UTU-80566

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE** – Other instructions on page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit of CA/Agreement, Name and/or No.
2. Name of Operator Quinex Energy Corporation		8. Well Name and No. JANS FEDERAL 1-25
3a. Address 465 South 200 West Bountiful Utah, 84010	3b. Phone No. (include area code) 801-292-3800	9. API Well No. 43-047-39195
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) NWNW, SEC. 25, T9S, R17E, 660' FNL 660' FWL		10. Field and Pool or Exploratory Area MONUMENT BUTTE
		11. Country or Parish, State UINTAH

**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA**

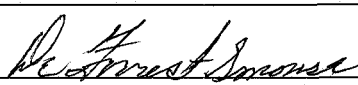
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Change of Drilling
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Depth, New 8 Point
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	Plan

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Quinex will spud the Jan Federal 1-25 on 10th, 2008.

**RECEIVED**

**OCT 14 2008**

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) DeForrest Smouse PhD		Title President, Quinex Energy Corporation
Signature 		Date 10/09/2008

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 6

## ENTITY ACTION FORM

Operator: Quinex Energy Corporation Operator Account Number: N 9995  
Address: 465 South 200 West  
city Bountiful  
state Ut zip 84010 Phone Number: (801) 292-3800

**Well 1**

API Number	Well Name		QQ	Sec	Twp	Rng	County
047-39195	JANS FEDERAL 1-25		NWNW	25	9S	17E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	17160	10/13/2008		10/28/08		
Comments: NEW WELL WSTC							

**Well 2**

API Number	Well Name		QQ	Sec	Twp	Rng	County
047-39983	D. C. FEDERAL 1-11		NENE	11	11S	20E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	17161	10/9/2008		10/28/08		
Comments: NEW WELL MVRD							

**Well 3**

API Number	Well Name		QQ	Sec	Twp	Rng	County
047-39982	D.C. FEDERAL 2-11		NENE	11	11S	20E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	17162	10/9/2008		10/28/08		
Comments: NEW WELL MVRD BHL = NENE							

**ACTION CODES:**

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

K. Michael Hebertson

Name (Please Print)

Signature  
Geologist

9/30/2008

Title

Date

RECEIVED

OCT 23 2008

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010

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5. Lease Serial No.

UTU-80566

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE - Other instructions on page 2.**

7. If Unit of CA/Agreement, Name and/or No.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.

JANS FEDERAL 1-25

2. Name of Operator

Quinex Energy Corporation

9. API Well No.

43-047-39195

3a. Address

465 South 200 West Bountiful Utah, 84010

3b. Phone No. (include area code)

801-292-3800

10. Field and Pool or Exploratory Area

MONUMENT BUTTE

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

NWNW, SEC. 25, T9S, R17E, 660' FNL 660' FWL

11. Country or Parish, State

UINTAH

**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION				
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off	
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity	
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Change of Drilling	
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Depth, New 8 Point	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	Plan	

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Quinex Energy is waiting on completion of the Jans Federal 1-25.

**RECEIVED**  
**DEC 11 2008**  
**DIV. OF OIL, GAS & MINING**

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

DeForrest Smouse PhD

Title President Qinx Energy Corp.

Signature

*DeForrest Smouse*

Date 12/01/2008

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Date

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Quinex is waiting on completion.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

DeForrest Smouse

Title President Quinex Energy

Signature



Date 11/06/2008

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Approved by

Title

Date

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**FEB 23 2009**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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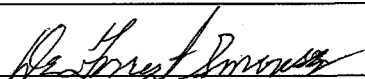
Quinex Energy Corporation spudded the Jans Fed 1-25 pn 10/10/2008 and reached a TD of 7260' on 10/19/2008. The Jans Fed 1-25 was cased W/ 424' of 8 5/8" N80 26# casing & cemented it W/ 225 sks Class G cement to surface. It then cased the hole from TD to surface W/ 7260' of 5 1/2" J-55, 15.5# casing. The 5 1/2" string was cemented W/ 840 sks 50/50 POZ & 220 sks Class G cemen W/ cement to surface.

Quinex Energy Corp. is waiting for improved weather & drying of mud to complete the well.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)  
DeForrest Smouse PhD

Title President - Quinex Energy Corp.

Signature



Date 03/05/2009

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Approved by

Title

Date

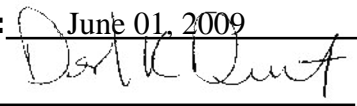
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**MAR 09 2009**

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>			
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU 80566			
<b>1. TYPE OF WELL</b> Oil Well		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>			
<b>2. NAME OF OPERATOR:</b> QUINEX ENERGY CORP		<b>7. UNIT or CA AGREEMENT NAME:</b>			
<b>3. ADDRESS OF OPERATOR:</b> 465 South 200 West, Bountiful, UT, 84010		<b>8. WELL NAME and NUMBER:</b> JANS FED 1-25			
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0660 FNL 0660 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWNW Section: 25 Township: 09.0S Range: 17.0E Meridian: S		<b>9. API NUMBER:</b> 43047391950000			
<b>PHONE NUMBER:</b> 801 292-3800 Ext		<b>9. FIELD and POOL or WILDCAT:</b> 8 MILE FLAT NORTH			
<b>COUNTY:</b> UTAH		<b>STATE:</b> UTAH			
<b>11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA</b>					
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>				
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 6/1/2009  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ACIDIZE  <input type="checkbox"/> CHANGE TO PREVIOUS PLANS  <input type="checkbox"/> CHANGE WELL STATUS  <input type="checkbox"/> DEEPEN  <input type="checkbox"/> OPERATOR CHANGE  <input type="checkbox"/> PRODUCTION START OR RESUME  <input type="checkbox"/> REPERFORATE CURRENT FORMATION  <input type="checkbox"/> TUBING REPAIR  <input type="checkbox"/> WATER SHUTOFF  <input type="checkbox"/> WILDCAT WELL DETERMINATION         </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ALTER CASING  <input type="checkbox"/> CHANGE TUBING  <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS  <input type="checkbox"/> FRACTURE TREAT  <input type="checkbox"/> PLUG AND ABANDON  <input type="checkbox"/> RECLAMATION OF WELL SITE  <input type="checkbox"/> SIDETRACK TO REPAIR WELL  <input type="checkbox"/> VENT OR FLARE  <input type="checkbox"/> SI TA STATUS EXTENSION  <input type="checkbox"/> OTHER         </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> CASING REPAIR  <input type="checkbox"/> CHANGE WELL NAME  <input type="checkbox"/> CONVERT WELL TYPE  <input checked="" type="checkbox"/> NEW CONSTRUCTION  <input type="checkbox"/> PLUG BACK  <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION  <input type="checkbox"/> TEMPORARY ABANDON  <input type="checkbox"/> WATER DISPOSAL  <input type="checkbox"/> APD EXTENSION            OTHER:         </td> </tr> </table>		<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input checked="" type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER:
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<b>12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.</b>  Tank Battery construction for this well is set to begin the week of June 1, 2009, and the well will be acid stimulated the week of June 10, 2009. A well site security diagram for this well will be submitted after construction is complete.					
Accepted by the <b>Utah Division of          Oil, Gas and Mining</b>		<b>Date:</b> June 01, 2009 <b>By:</b> 			
<b>NAME (PLEASE PRINT)</b> K. Michael Hebertson	<b>PHONE NUMBER</b> 801 292-3800	<b>TITLE</b> Geologist			
<b>SIGNATURE</b> N/A	<b>DATE</b> 6/1/2009				

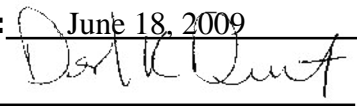
<div>STATE OF UTAH</div> <div>DEPARTMENT OF NATURAL RESOURCES</div> <div>DIVISION OF OIL, GAS, AND MINING</div>		<div>FORM 9</div> <div>5.LEASE DESIGNATION AND SERIAL NUMBER: UTU 80566</div>	
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		<div>STATE:</div> <div>UTAH</div>	
<div>11.</div> <div>CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA</div>			
<div>TYPE OF SUBMISSION</div>		<div>TYPE OF ACTION</div>	
<div><input type="checkbox"/> NOTICE OF INTENT</div> <div>Approximate date work will start:</div> <div><input type="checkbox"/> SUBSEQUENT REPORT</div> <div>Date of Work Completion:</div> <div><input type="checkbox"/> SPUD REPORT</div> <div>Date of Spud:</div> <div><input checked="" type="checkbox"/> DRILLING REPORT</div> <div>Report Date:</div> <div>6/19/2009</div>		<div><input type="checkbox"/> ACIDIZE</div> <div><input type="checkbox"/> CHANGE TO PREVIOUS PLANS</div> <div><input type="checkbox"/> CHANGE WELL STATUS</div> <div><input type="checkbox"/> DEEPEN</div> <div><input type="checkbox"/> OPERATOR CHANGE</div> <div><input type="checkbox"/> PRODUCTION START OR RESUME</div> <div><input type="checkbox"/> REPERFORATE CURRENT FORMATION</div> <div><input type="checkbox"/> TUBING REPAIR</div> <div><input type="checkbox"/> WATER SHUTOFF</div> <div><input type="checkbox"/> WILDCAT WELL DETERMINATION</div> <div><input type="checkbox"/> ALTER CASING</div> <div><input type="checkbox"/> CHANGE TUBING</div> <div><input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS</div> <div><input type="checkbox"/> FRACTURE TREAT</div> <div><input type="checkbox"/> PLUG AND ABANDON</div> <div><input type="checkbox"/> RECLAMATION OF WELL SITE</div> <div><input type="checkbox"/> SIDETRACK TO REPAIR WELL</div> <div><input type="checkbox"/> VENT OR FLARE</div> <div><input type="checkbox"/> SI TA STATUS EXTENSION</div> <div><input checked="" type="checkbox"/> OTHER</div> <div><input type="checkbox"/> CASING REPAIR</div> <div><input type="checkbox"/> CHANGE WELL NAME</div> <div><input type="checkbox"/> CONVERT WELL TYPE</div> <div><input type="checkbox"/> NEW CONSTRUCTION</div> <div><input type="checkbox"/> PLUG BACK</div> <div><input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION</div> <div><input type="checkbox"/> TEMPORARY ABANDON</div> <div><input type="checkbox"/> WATER DISPOSAL</div> <div><input type="checkbox"/> APD EXTENSION</div> <div>OTHER:   OOPS</div>	
<div>12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.</div> <div>Oops. This should be correct</div> <div>Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY</div> <div>June 15, 2009</div>			
<div>NAME (PLEASE PRINT)</div> <div>K. Michael Hebertson</div>		<div>PHONE NUMBER</div> <div>801 292-3800</div>	
<div>SIGNATURE</div> <div>N/A</div>		<div>TITLE</div> <div>Geologist</div>	
		<div>DATE</div> <div>6/15/2009</div>	

During the week of April 13 2009 Quinex Energy completed the Wasatch Zone in this well from 7,172 - 7,206' as follows:

1. Move in completion rig. Rig up. Pick up work string. Clean out to bottom @ 7,260'. Shut Down for Night
2. Stand back work string and run bond log from TD to top of the Cement. Cement bond was good
3. Perforate Wasatch Zone 4 shots per foot from 7,171 to 7,200 net zone 29' Total shots 116.
4. Fracture Stimulate with Advance Propellant explosive charge. Shut Down for Night
5. Run in Hole with 7,100' of 2 7/8 J55 EUE tubing and prep to Swab well.
6. Swabbed well for 1 day and well swabbed down to 6,250' after 9 runs. Shut Down for Night
7. Acid wash with 1,500 gal 15% HCl to clean perfs and swab back to pit, Acid gas, spent acid and water returns. Shut Down for Night
8. Swab until noon. No fluid and no gas or hydrocarbons. Trip out for tubing set bridge plug.
9. Set bridge plug at 7,102' trip out and lay down 1,100' of tubing. Land tubing at 6,000'
- 10 Rig Down and Move off.

This zone was determined to be a dry hole, and a Green River completion will be attempted.



<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU 80566
<b>1. TYPE OF WELL</b> Oil Well		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
<b>2. NAME OF OPERATOR:</b> QUINEX ENERGY CORP		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>3. ADDRESS OF OPERATOR:</b> 465 South 200 West, Bountiful, UT, 84010		<b>8. WELL NAME and NUMBER:</b> JANS FED 1-25
<b>PHONE NUMBER:</b> 801 292-3800 Ext		<b>9. API NUMBER:</b> 43047391950000
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0660 FNL 0660 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWNW Section: 25 Township: 09.0S Range: 17.0E Meridian: S		<b>9. FIELD and POOL or WILDCAT:</b> 8 MILE FLAT NORTH
		<b>COUNTY:</b> UTAH
		<b>STATE:</b> UTAH
<b>11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA</b>		
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>	
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 6/19/2009	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input checked="" type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER	
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION	
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	OTHER: Perforate GRRV	
<b>12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.</b> The Proposed Green River production for this well is attached and contains the perforations and Acid breakdown of the Green River. See the attached		
<b>Accepted by the Utah Division of Oil, Gas and Mining</b>  <b>Date:</b> June 18, 2009 <b>By:</b> 		
<b>NAME (PLEASE PRINT)</b> K. Michael Hebertson	<b>PHONE NUMBER</b> 801 292-3800	<b>TITLE</b> Geologist
<b>SIGNATURE</b> N/A	<b>DATE</b> 6/15/2009	

## MEMORANDUM

TO: All Interested Parties  
FROM: Quinex Energy  
DATE: 26 May 2009  
RE: Bid to perforate the JW Federal 2-27

Quinex Energy Corporation is currently taking bids for the perforating of the JW Federal 2-27 well, located in Section 27, Township 9 South, Range 17 East, Duchesne County, Utah.

Bond Log from 7,180' to the bottom of the Surface casing @ 514'

Perforations will be 2 shots per foot at 120 degree phasing as follows:

5,450 to 5,472'	44 Shots	22 feet net
5,428 to 5,432'	8 Shots	4 feet net
5,200 to 5,208'	16 Shots	8 feet net
5,028 to 5,032'	8 Shots	4 feet net
4,946 to 4,950'	12 Shots	6 feet net
4,642 to 4,647'	10 Shots	5 feet net
4,212 to 4,218'	12 Shots	6 feet net
Total	110 Shots	55 feet net

This bid is needed by Friday May 29<sup>th</sup> 2009, and the job may be awarded as soon as Tuesday June 2<sup>nd</sup> 2009.

Bids are to be submitted to Mike Hebertson via email at the following email address: [mike@quinexenergy.com](mailto:mike@quinexenergy.com). You may also call for further information at 801-292-3800 during regular business hours, Monday through Friday.

You will find attached a section of the openhole logs to aid you in your proposal.

Your bid should include the any pricing adjustment to the Jans Federal that was bid on a month ago. Should you have other suggestions about the perforations and feel that changes should be made I am as always open to discuss this with you.

Sincerely,  
Mike Hebertson

**RECEIVED** June 15, 2009

## MEMORANDUM

TO: All Interested Parties  
FROM: Quinex Energy  
DATE: 26 May 2009  
RE: Re-Bid to perforate the Jans Federal 1-25

Quinex Energy Corporation is currently taking bids for the perforating of the Jans Federal 1-25 well, located in Section 25, Township 9 South, Range 17 East, Uintah County, Utah.

The zones that are open will be shot at 2 shots per foot at 120 degree phasing as follows:

<b>Stage #1</b>		
5,608, to 5,612'	12 Shots	6 Net Feet
5,562, to 5,568'	16 Shots	8 Net Feet
5,503 to 5,517'	28 Shots	18 Net Feet
5,383 to 5,395'	24 Shots	12 Net Feet
5,038 to 5,041'	6 Shots	3 Net Feet
4,570 to 4,576'	12 Shots	6 Net Feet
4,506 to 4,509'	6 Shots	3 Net Feet
4,225 to 4,228'	6 Shots	3 Net Feet
4,123 to 4,137'	28 Shots	14 Net Feet
Total	138 Shots	73 Net Feet

The well will be completed down 5 ½ J 55 casing. Perforations have been selected at 2 shots per foot at 120 degree phasing. The bid will include sufficient bioballs to cover the perforations plus 40% excess. Acid should be figured at about 50 gallons per perforation.

This bid is needed by Friday May 22<sup>nd</sup> 2009, and the job may be awarded as soon as Tuesday May 26<sup>th</sup> 2009.

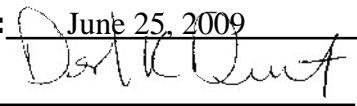
Bids are to be submitted to Mike Hebertson via email at the following email address: [mike@quinexenergy.com](mailto:mike@quinexenergy.com). You may also call for further information at 801-292-3800 during regular business hours, Monday through Friday.

You will find attached a section of the openhole logs with the zones and perforations marked.

Your bid should include the any pricing adjustment to the JW Federal that is a new bid submitted with this package. Should you have other suggestions about the perforations and feel that changes should be made I am as always open to discuss this with you.

Sincerely,  
Mike Hebertson

**RECEIVED** June 15, 2009

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU 80566
<b>1. TYPE OF WELL</b> Oil Well		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
<b>2. NAME OF OPERATOR:</b> QUINEX ENERGY CORP		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>3. ADDRESS OF OPERATOR:</b> 465 South 200 West, Bountiful, UT, 84010		<b>8. WELL NAME and NUMBER:</b> JANS FED 1-25
<b>4. LOCATION OF WELL FOOTAGES AT SURFACE:</b> 0660 FNL 0660 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWNW Section: 25 Township: 09.0S Range: 17.0E Meridian: S		<b>9. API NUMBER:</b> 43047391950000
<b>PHONE NUMBER:</b> 801 292-3800 Ext		<b>9. FIELD and POOL or WILDCAT:</b> 8 MILE FLAT NORTH
<b>COUNTY:</b> UTAH		<b>STATE:</b> UTAH
<b>11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA</b>		
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>	
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 6/29/2009  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> ACIDIZE  <input type="checkbox"/> CHANGE TO PREVIOUS PLANS  <input type="checkbox"/> CHANGE WELL STATUS  <input type="checkbox"/> DEEPEN  <input type="checkbox"/> OPERATOR CHANGE  <input type="checkbox"/> PRODUCTION START OR RESUME  <input type="checkbox"/> REPERFORATE CURRENT FORMATION  <input type="checkbox"/> TUBING REPAIR  <input type="checkbox"/> WATER SHUTOFF  <input type="checkbox"/> WILDCAT WELL DETERMINATION         </div> <div style="width: 33%;"> <input type="checkbox"/> ALTER CASING  <input type="checkbox"/> CHANGE TUBING  <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS  <input type="checkbox"/> FRACTURE TREAT  <input type="checkbox"/> PLUG AND ABANDON  <input type="checkbox"/> RECLAMATION OF WELL SITE  <input type="checkbox"/> SIDETRACK TO REPAIR WELL  <input checked="" type="checkbox"/> VENT OR FLARE  <input type="checkbox"/> SI TA STATUS EXTENSION  <input type="checkbox"/> OTHER         </div> <div style="width: 33%;"> <input type="checkbox"/> CASING REPAIR  <input type="checkbox"/> CHANGE WELL NAME  <input type="checkbox"/> CONVERT WELL TYPE  <input type="checkbox"/> NEW CONSTRUCTION  <input type="checkbox"/> PLUG BACK  <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION  <input type="checkbox"/> TEMPORARY ABANDON  <input type="checkbox"/> WATER DISPOSAL  <input type="checkbox"/> APD EXTENSION            OTHER:         </div> </div>	
<b>12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.</b>  Request for approval for Venting or Flaring of Gas Under R649-3-20 sub-parts 1 and 3. See the attached		
<div style="text-align: right;"> <b>Accepted by the Utah Division of Oil, Gas and Mining</b> </div>		<b>Date:</b> June 25, 2009 <b>By:</b> 
<b>NAME (PLEASE PRINT)</b> K. Michael Hebertson		<b>PHONE NUMBER</b> 801 292-3800
<b>SIGNATURE</b> N/A		<b>TITLE</b> Geologist
<b>DATE</b> 6/24/2009		



**The Utah Division of Oil, Gas, and Mining**

- State of Utah
- Department of Natural Resources

**Electronic Permitting System - Sundry Notices**

**Sundry Conditions of Approval Well Number 43047391950000**

**In accordance with R649-3-19, approval for flaring through July 5, 2009 is allowed to conduct the stabilized production test. The rates and volumes were not supplied with this request so extended flaring beyond the time allowed for the stabilized production test cannot be approved at this time. If flaring beyond July 5, 2009 is desired, a request should be submitted at that time and include the reason, current rates, expected volumes to be flared and length of time.**

**Accepted by the  
Utah Division of  
Oil, Gas and Mining**

**Date:** June 25, 2009  
**By:** Dan K. Quist

#### R649-3-20. Gas Flaring or Venting.

1. Produced gas from an oil well, also known as associated gas or casinghead gas, may be flared or vented only in the following amounts:

1.1. Up to 1,800 MCF of oil well gas may be vented or flared from an individual well on a monthly basis at any time without approval.

1.2. During the period of time allowed for conducting the stabilized production test or other approved test as required by R649-3-19, the operator may vent or flare all produced oil well gas as needed for conducting the test.

1.2.1. The operator shall not vent or flare gas that is not necessary for conducting the test or beyond the time allowed for conducting the test.

1.3. During the first calendar month immediately following the time allowed for conducting the initial stabilized production test as required by R649-3-19.1, the operator may vent or flare up to 3,000 MCF of oil well gas without approval.

1.4. Unavoidable or short-term oil well gas venting or flaring may occur without approval in accordance with R649-3-20.4, 4.1, 4.2, and 4.3.

3. If an operator desires to produce a well for the purpose of testing and evaluation beyond the time allowed by R649-3-19 and vent or flare gas in excess of the aforementioned limits of gas venting or flaring, the operator shall make written request for administrative action by the division to allow gas venting or flaring during such testing and evaluation.

3.1. The operator shall provide any information pertinent to a determination of whether marketing or otherwise conserving the produced gas is economically feasible.

3.2. Upon such request and based on the justification information presented, the division may authorize gas venting or flaring at unrestricted rates for up to 30 days of testing or no more than 50 MMCF of gas vented or flared, whichever is less.

Quinex Energy is hereby notifying the State of Utah and BLM of a need to Vent or Flair gas from the well cited below:

43-047-39195	JANS FED 1-25	Uintah	NWNW	25	9S-17E	660	FNL	660	FWL	Drilling	Federal	UTU-80566
--------------	---------------	--------	------	----	--------	-----	-----	-----	-----	----------	---------	-----------

During the week of June 29 through July 5 2009, Quinex will conduct a stabilized production test to establish the daily production rate of gas and oil from this well. It is presumed from all indications that the well will produce more than the sales line is capable of transporting and that can be used on lease as beneficial production for the operation of lease equipment.

From early indications the well could sustain significant formation damage if the production is shut-in for extended periods of time without allowing the well to produce back the stimulation fluids used in the completion procedures.

It has also been made known to Quinex by the Pipeline that the transportation system in the area is over capacity and that they may need 60 to 90 days to add compression to the sales line in order to process the amount of gas now being produced by their own wells and the new wells coning on line.

Therefore Quinex respectfully request approval to flair gas in excess of the 30 day allowable of 1,800 MCF per month during the test period, and to exceed the 30 days or 50 MMCF total for a period of 60 days beginning the second week of July 2009 if necessary.

Authority to grant this request is extended to the Division of Oil, Gas & Mining under rules:

R649-3-20-1.1 to 1.3, and R649-3-20-3 to 3.2.

Sincerely,

K. M. Hebertson

**RECEIVED** June 24, 2009

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ FORM 8  
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER:  
UTU 80566

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME

8. WELL NAME and NUMBER:  
Jans Federal 1-25

9. API NUMBER:  
4304739195

10. FIELD AND POOL, OR WILDCAT  
Monument Butte

11. QTR/QTR, SECTION, TOWNSHIP, RANGE,  
MERIDIAN:  
NWNW 25 9S 17E S

12. COUNTY  
UINTAH

13. STATE  
UTAH

1a. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ DRY ☐ OTHER ☐  
b. TYPE OF WORK: NEW WELL ☒ HORIZ. LATS. ☐ DEEP-EN ☐ RE-ENTRY ☐ DIFF. RESVR. ☐ OTHER ☐

2. NAME OF OPERATOR:  
Quinex Energy Corporation

3. ADDRESS OF OPERATOR:  
465 South 200 West Bountiful UT 84010

PHONE NUMBER:  
(801) 292-3800

4. LOCATION OF WELL (FOOTAGES)  
AT SURFACE: 660 FNL 660 FWL  
AT TOP PRODUCING INTERVAL REPORTED BELOW: SAME AS ABOVE  
AT TOTAL DEPTH: SAME AS ABOVE

14. DATE SPUDDED: 10/10/2008 15. DATE T.D. REACHED: 10/17/2008 16. DATE COMPLETED: 6/28/2009 ABANDONED ☐ READY TO PRODUCE ☒ 17. ELEVATIONS (DF, RKB, RT, GL): 5290 GL

18. TOTAL DEPTH: MD 7,251 TVD 7,251 19. PLUG BACK T.D.: MD 7,102 TVD 7,102 20. IF MULTIPLE COMPLETIONS, HOW MANY? \* 21. DEPTH BRIDGE MD 7,102 PLUG SET: TVD 7,102

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)  
Compensated Density Compensated Neutron Gamma Ray, Dual Induction Guard w/Gamma Ray Cement Bond Log  
23. WAS WELL CORED? NO ☒ YES ☐ (Submit analysis)  
WAS DST RUN? NO ☒ YES ☐ (Submit report)  
DIRECTIONAL SURVEY? NO ☒ YES ☐ (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/L)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12.5	8.625 J55	36	0	500		G 375	75	Surface	0
7.875	5.5 J55	17	0	7,230		G 220	45	4500	
						POZ 840	196	750	

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2.875	5,000	4,950						

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) Green River	1,110	6,495	1,110	6,495	4,123 5,612	.38	138	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(B) Garden Gulch mb	3,225	3,735	3,225	3,735				Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(C) Douglas Creek mt	4,118	4,915	4,118	4,915				Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(D) Wasatch	6,495		6,495					Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>

27. PERFORATION RECORD

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
4,123 to 5,612	See the attached completion detail

29. ENCLOSED ATTACHMENTS:

☒ ELECTRICAL/MECHANICAL LOGS  
☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION

☐ GEOLOGIC REPORT  
☐ CORE ANALYSIS

☐ DST REPORT  
☐ DIRECTIONAL SURVEY  
☒ OTHER: See Attached

30. WELL STATUS:

RECEIVED  
POW  
4 2009

## 31. INITIAL PRODUCTION

## INTERVAL A (As shown in Item #26)

DATE FIRST PRODUCED: 7/1/2009	TEST DATE: 7/1/2009	HOURS TESTED: 22	TEST PRODUCTION RATES: →	OIL - BBL: 60	GAS - MCF: 0	WATER - BBL: 12	PROD. METHOD: Pumping
CHOKE SIZE: NA	TBG. PRESS. 60	CSG. PRESS. 150	API GRAVITY 31.00	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS: Producing

## INTERVAL B (As shown in Item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

## INTERVAL C (As shown in Item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

## INTERVAL D (As shown in Item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

## 32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

## 33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

## 34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Green River	1,110	6,495		Garden Gulch	3,215
				Garden Gulch 1	3,353
Wasatch	6,495			Garden Gulch 2	3,505
				3 Point	3,738
				X Member	3,940
				Y Member	3,992
				Douglas Creek	4,118
				Castle Peak	4,915
				Basal Carbonate	5,282

## 35. ADDITIONAL REMARKS (Include plugging procedure)

Testing has been conducted through the production equipment the rates stated are estimates based on limitations of the equip.

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) K. Michael Hebertson

TITLE Geologist

SIGNATURE

*K. Michael Hebertson*

DATE 8/30/2009

11-Sep-2009

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

\* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

\*\* ITEM 24: Cement Top - Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940



**COMPLETION DETAIL**  
**Jans Federal 1-25**

Quinex Energy Corporation completed the Jans Federal 1-25 well, located in Section 25, Township 9 South, Range 17 East, Uintah County, Utah on July 1 2009.

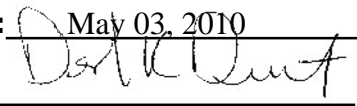
The zones that are open were shot at 2 shots per foot at 120 degree phasing as follows:

Stage #1		
5,608, to 5,612'	12 Shots	6 Net Feet
5,562, to 5,568'	16 Shots	8 Net Feet
5,503 to 5,517'	28 Shots	18 Net Feet
5,383 to 5,395'	24 Shots	12 Net Feet
5,038 to 5,041'	6 Shots	3 Net Feet
4,570 to 4,576'	12 Shots	6 Net Feet
4,506 to 4,509'	6 Shots	3 Net Feet
4,225 to 4,228'	6 Shots	3 Net Feet
4,123 to 4,137'	28 Shots	14 Net Feet
Total	138 Shots	73 Net Feet

The well was completed down 5 ½ J 55 casing and acid was pumped at 10 BBLS/Min @ 2,400 lbs maximum pressure. Bioballs were pumped as diverters to cover the perforations plus 40% excess. Acid was figured at about 50 gallons per perforation or 7,000 gallons.

The well flowed back approximately 50% of the spent acid and load water, and the remaining fluid was swabbed back over 2 days.

The well was placed on pump and began production on July 1, 2009, at 10:00 AM.

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<b>1. TYPE OF WELL</b> Oil Well		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
<b>2. NAME OF OPERATOR:</b> NEWFIELD PRODUCTION COMPANY		<b>7. UNIT or CA AGREEMENT NAME:</b> GMBU (GRRV)
<b>3. ADDRESS OF OPERATOR:</b> 1001 17th Street, Suite 2000 , Denver, CO, 80202		<b>8. WELL NAME and NUMBER:</b> JANS FED 1-25
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0660 FNL 0660 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWNW Section: 25 Township: 09.0S Range: 17.0E Meridian: S		<b>9. API NUMBER:</b> 43047391950000
<b>PHONE NUMBER:</b> 303 382-4443 Ext		<b>9. FIELD and POOL or WILDCAT:</b> 8 MILE FLAT NORTH
<b>COUNTY:</b> UTAH		<b>STATE:</b> UTAH
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<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>	
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<b>Accepted by the Utah Division of Oil, Gas and Mining</b>  <b>Date:</b> May 03, 2010 <b>By:</b> 		
<b>NAME (PLEASE PRINT)</b> Sam Styles		<b>PHONE NUMBER</b> 303 893-0102
<b>SIGNATURE</b> N/A		<b>TITLE</b> Engineering Tech
		<b>DATE</b> 4/13/2010

From: dustindoucet@utah.gov [mailto:dustindoucet@utah.gov]  
Sent: Tuesday, April 20, 2010 3:49 PM  
To: Sam Styles  
Subject: Sundry For API Well Number 43047391950000 Returned Unprocessed

Notice of Intent: PLUG\_BACK RECOMPLETE\_DIFFERENT\_FORMATION  
API Number: 43047391950000  
Operator: NEWFIELD PRODUCTION COMPANY

The above referenced document is being returned to you for the reasons stated below. Please make the necessary changes via the \"EDIT\" link on the status page.

Well Completion Report for this well has never been submitted (for the Wasatch completion). Operator was told to submit WCR over a year ago. This must be submitted prior to approval of requested sundry. Need formation tops and perforations, casing etc. that are on WCR to make determination on this recompletion.

Also, 100' minimum will probably be necessary on the plug back of the Wasatch formation. This is a typical requirement for plugging back any well to a new formation. 10' is not sufficient. As this will be completed into a EOR unit, you will need to check with EPA and confirm the minimum amount of cement necessary for the UIC requirements. Also confirm with the BLM. Please resubmit with appropriate amount.

I am assuming the recompleted interval is the Green River. Please confirm on resubmittal. Any questions, please contact me. Thanks.

Dustin

**Accepted by the  
Utah Division of  
Oil, Gas and Mining**

**Date:** May 03, 2010  
**By:** Dustin Doucet

**From:** "Tom Walker" <twalker@newfield.com>  
**To:** "Dustin Doucet" <dustindoucet@utah.gov>  
**CC:** "Nate Gilbertson" <ngilbertson@newfield.com>, "Sam Styles" <sstyles@newf...  
**Date:** 4/26/2010 10:52 AM  
**Subject:** FW: Jans Fed 1-25-9-17...Sundry For API Well Number 43047391950000 Returned Unprocessed  
**Attachments:** Jans Fed 1-25-9-17 Quinex Completion Report.pdf; Jans Fed 1-25-9-17 Quinex Completion Report Detail.pdf

Hello Dustin:

Thanks for the comments back on the NOI.

I have attached the Completion reports that I scanned from our hard copy files. As you know, this well was drilled by Quinex.

Also, we and the BLM have a higher top for the Wasatch than is listed on the completion report. This depth is 5540'. This is the reason why we are plugging the well off above the Wasatch as the new GMBU is only for Green River and this well is perforated in the Wasatch.

The other issue is that we don't have much room (45') between the top Wasatch perf (5562') and the bottom Green River perf (5517') thus the 10' proposed cement plug on top of the CIBP.

Please note that Ryan at the BLM has already approved the NOI for this work.

Please advise back with any issues and also if we need to resubmit the NOI or if you can approve it as sent.

Regards,

Tom J. Walker  
Operations Engineer  
Newfield Exploration - Rocky Mountains  
twalker@newfield.com  
303-383-4114 Office  
303-396-7843 Cell  
303-893-0103 Fax

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**Date:** May 03, 2010

**By:** Dustin Doucet

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